

Legislative Assembly of Alberta

Title: **Tuesday, April 12, 1994**

8:00 p.m.

Date: 94/04/12

head: Committee of Supply

[Mr. Tannas in the Chair]

MR. CHAIRMAN: Order. I'd call the committee to order.

MR. DINNING: Everybody's got to sit down before we can start.

MR. CHAIRMAN: That's right. Once we're all sitting down, we'll begin.

head: Main Estimates 1994-95

Treasury

MR. CHAIRMAN: Again for those who might have forgotten, in committee stage, yes, it is informal, but we would ask those who want to carry on lively discussions to do so outside the Chamber. Those that are standing will be the ones presumably who are speaking, unless they're leaving the room or moving from one chair to another.

With those preliminary comments I would invite the Provincial Treasurer to start off this evening's debate.

MR. DINNING: Well, thank you, Mr. Chairman. It is a pleasure to once again appear before the Committee of Supply to answer questions, to joust with members across the way, to offer to sign the book on display on the Member for Calgary-West's desk.

Chairman's Ruling Exhibits

MR. CHAIRMAN: Hon. minister, I'm sorry to interrupt, but that does bring up the point that in the Legislature custom and rules prohibit exhibits of any sort, whether book or not.

With that admonition, we would invite the Provincial Treasurer to continue.

Debate Continued

MR. DINNING: If I may say, Mr. Chairman, a wise ruling indeed, sir. Clearly the hon. member shows that he knows how to take a book out of a library, and that's a first. It's good to have that on the record.

I want to share with members of the Assembly tonight, Mr. Chairman, while I'm on my feet, some reports that are timely in association with the department of the Treasury. The first is the report for the activities and the Auditor General's report of the government land purchase fund for the year ended March 31, 1993. As well as that I have copies of the annual reports of the pension plans associated with the provincial judges and masters in chambers pension plan, the special forces pension plan, Members of the Legislative Assembly pension plan, public service pension plan, public service management pension plan, universities academic pension plan, and the local authorities pension plan for the year ended March 31, 1993. Along with that is the annual report of the Audit Committee dated February 14, 1994, which includes the Audit Committee's assessment of the government's implementation of the recommendations of the Financial Review Commission.

Mr. Chairman, there were several comments and questions put forward by the Member for Edmonton-Whitemud and several of his colleagues in my last appearance before the committee. If I

may, I'm going to briefly run through the responses to those questions so that I might fill their vessel with information and be able to be ready when the next load of questions is put on the table, in hopes that I might be able to speedily answer those questions as well. I'm going to do it on a program-by-program basis because several of the questions were perhaps all over the map.

It would be easier for me to go through them on a program-by-program basis starting with my office, where there was some recognition that there was some restraint shown, that there could be more restraint shown, and there has been. The office's budget is down some 30 percent since the 1992-93 expenditures, and we will continue to exercise that kind of restraint.

In the administrative support side of the department downsizing initiatives have resulted in a manpower reduction of over \$200,000 and nearly four full-time equivalent positions. That includes an increase though, Mr. Chairman, of some \$73,000 and 1.5 full-time equivalents that have been provided for in this administrative support budget to process requests for information under the Freedom of Information and Protection of Privacy Act and to assist the public in the responding to questions associated with the department of Treasury.

There is a \$172,000 increase in the communications budget, Mr. Chairman, and I'm proud to say that this money is well invested in doing a better job of producing budget materials and a more extensive array of materials so that Albertans are aware of our budget as has been presented to . . . [interjections]

MR. CHAIRMAN: Order. Order. It is becoming, if you can believe it, difficult to hear the Provincial Treasurer. A reminder again that if people want to wander around, that's fine, but please don't engage in lively discussions.

MR. DINNING: Mr. Chairman, on to program 2 with respect to the question about the transfer of corporate tax collection to the federal government. We are in negotiations with the federal government to ensure that this important function is undertaken but is delivered in a more streamlined, more efficient, more effective manner, and we believe that can be done by asking the federal government to work with us in the administration of our corporate tax collections. Our objective is to have the federal government commence collecting corporate tax installments on January 1, 1995. The cost to Alberta taxpayers will diminish as they take on this responsibility for assessments, audit, and collection. That will be phased in such that by '96-97 we expect to enjoy a savings of a little over \$7 million.

In terms of the impact on jobs, we are negotiating with the federal government as to their needs for administering the Alberta corporate income tax, and we hope through our negotiations that there will be a number of transfers to the federal public service as a result of the federal government collecting Alberta corporate tax. As the matter is still under negotiation, I am not able to give a definitive figure at this time.

There was some question about the reduction in the operations and audit budget associated with our revenue collection. The budget reduction in that area reflects internal restructuring and redeployment of resources. The budget is not impacted by the federal government collecting corporate tax installments effective January 1, 1995, because the province is still responsible for assessing and auditing and collecting pre-1995 corporate income tax.

As for the payment of commissions for the collection of various taxes, Mr. Chairman, I can advise the committee that the figure of \$610,000 under element 2.0.6 includes commissions payable

for the collection of hotel room taxes, propane taxes, and for the administration of the farm fuel distribution allowance program. There are many small hoteliers and dealers that must incur costs to collect and process the information that we need for Alberta tax collection. The \$210,000 commission paid to hoteliers is our effort to help them defray part of the costs of collecting this money. I could advise the Assembly that all but two provinces pay commission to hoteliers for the collection of hotel room tax.

Under program 3, financial management, planning, and central services, the members across the way asked about the accrual of personal income tax. We moved to the accrual of personal income taxes and the associated EPF or established programs financing transfers in response primarily to a recommendation from the Auditor General. What we've done besides tying the revenue to the year in which it is actually earned – accrual also means that Alberta's reported tax revenue is no longer tied to the arbitrary administrative decisions that sometimes our brethren in Ottawa are wont to do.

8:10

The federal and provincial governments knew in the last quarter of the '93 calendar year that the federal estimate of '93 income taxes on which provinces were paid in '93-94 was in fact too high. That is why in fiscal year quarter 2, fiscal year quarter 3 we reduced our estimated income tax receivable through Ottawa's collection on the personal tax side. In fact, the federal government adjusted their equalization payments to the seven other provinces in March of '94 to reflect that, but for whatever reason the Liberals in Ottawa decided not to recover the income tax overpayments at that same time. We will have to repay around \$100 million this year for the overpayment of '93 income tax. That explains why our estimated income tax for '93-94 is as low as it is and makes '94-95 appear to spike up more than in fact it really does. It is because of that repayment on the basis of an overpayment from 1993.

What the Auditor General has said, and we agree with him, is that if Alberta has a good idea about the amount of an overpayment, the adjustment should be made immediately instead of waiting until the federal government decides to ask for the money back. I'm sure my colleague from Edmonton-Whitemud would heartily agree with that.

The application of revenue windfalls was asked. The Deficit Elimination Act clearly sets out what is to be done with revenue windfalls. If there are gains in revenue over the budget estimate, they cannot be spent. They must go to reduce the deficit and the debt. I can advise the Assembly, for example, that the 1993 profit of some \$273 million received on the basis of our Alberta Energy Company shares sale to Albertans didn't get spent; it went straight into reducing the deficit and the debt.

We have set out our three-year spending plans in the budget. If revenue comes in higher than we estimate in any one year, we're not going to suddenly, you know, acquire the Liberal affliction of wanting to throw away our plans and just go out and blow that money and spend it. What we have learned in Alberta and indeed in the rest of the country is that we've shown the folly of counting on high revenue to support high levels of spending. So we're taking that abundance of caution, and when the inevitable downturn comes, we will not face that skyrocketing deficit that the Liberals are facing in Ottawa, I'm sure, sometime later this year. The government is simply not going to fall into that trap. We will continue to budget revenue conservatively, and if revenue happens to be higher than expected, we'll use it to move more quickly to reduce our deficit and our debt.

On the recommendations of the Alberta Tax Reform Commission. We are in the process of reviewing that report now, primarily in the departments of Municipal Affairs, Treasury, agriculture, and Economic Development and Tourism. I expect to spell out a process in the days ahead to explain to Albertans exactly how we would want to consult with them further in getting information and advice from them on the implementation of that report.

Mr. Chairman, as for the capital tax on financial institutions, one of my colleagues across the way asked that question. The Tax Reform Commission recommended that no changes be made to the province's capital tax on financial institutions. Contrary to my colleague from Edmonton-Whitemud's assertion that Alberta is one of the few provinces that impose a capital tax on financial institutions, I should advise him – as I'm sure he has gone back to do his homework – that all provinces do that. In fact, Alberta was the last to do so in 1990 by introducing that capital tax on financial institutions.

On the elimination of debt, Mr. Chairman, our immediate goal, of course, is to eliminate the annual deficit by '96-97, and we're on target to meet that goal. He was asking what we were going to do to eliminate the debt. I can advise him that once we have balanced the budget, we can begin paying down that accumulated debt. It's certainly not going to be easy, but the changes we have been implementing since Premier Klein came to office in December 1992 laid that essential, important foundation for that orderly repayment.

Mr. Chairman, the question on specific loan guarantees. Reference was made to a number of them. The terms and conditions that apply to these guarantees are indeed closely monitored by the Treasury Department and are reviewed as part of the audit by the Auditor General to ensure that these companies are living up to their obligations.

On valuation adjustments. The breakdown of the nearly \$121 million budget for valuation adjustments and other provisions is found on page 49 of Budget '94. With respect to '95-96 I will be providing that breakdown when the budget is tabled this time next year.

As for the liquidity and current use of the Alberta heritage savings trust fund, the heritage fund had total assets of a little over \$11.9 billion at 30 September '93, and of this amount about 45 percent or nearly \$5.4 billion was invested in liquid assets in the cash and marketable securities portfolio. I can advise the Assembly that the province is receiving a benefit from the heritage fund today. In fact, the fund earns about \$2 million per day, Mr. Chairman, from its investments such that those funds, now some \$785 million in '92-93, go to pay for programs like health care and education as well as to keep our taxes low in this province.

The heritage fund annual report. I think I advised the Member for St. Albert of this, because he had asked questions about an accounting of the fund's activities and a number of good questions that several of his and my and other constituents across the province asked about the heritage fund. There's a publication entitled *Just the Facts* that is available for all Albertans. It's contained within the heritage fund annual report for 31 March 1993, but it's also a stand-alone document, if members of the Assembly would like to call my office for copies of it.

Regarding North West Trust Company, the board of directors of North West Trust and the government retained ScotiaMcLeod in May of '93 as their agent to conduct a process for the disposition of the outstanding shares in the capital of North West Trust and to negotiate with interested parties. These negotiations and discussions are still ongoing, and I hope we'll have some news to provide to Albertans before the end of the calendar year.

On risk management insurance. This division will continue to provide expertise to Alberta government departments and agencies and to buy insurance coverage at a good market rate cost rather than risk incurring large unexpected losses. The cost of this coverage plus services provided by the division will be allocated to departments beginning in the next fiscal year, '95-96, as will the costs of protection provided by the risk management fund for levels of insurance below that purchased from independent insurers. Departments will be asked to choose appropriate levels of fund coverage at costs representing the risk presented. The services offered by the division will continue to be available to all departments and participating agencies as will the opportunity for them to go out and buy that expertise on the open market. The \$1.888 million budgeted as operating expenditure includes, in addition to the division's operating expenses, a portion of both claims and insurable premium costs incurred by the regulated fund on behalf of government departments. While individual departments are responsible for small deductibles for losses to their own property, the risk management fund self-insures deductibles when insurance against large unexpected loss is purchased.

Just on the regulation of securities markets in program 4, Mr. Chairman. A number of years ago the Securities Commission delegated responsibility for member registration to the Investment Dealers Association and the Alberta Stock Exchange, both of which are self-regulated organizations. The delegation is also provided for the registration fees received to be split between those self-regulatory organizations and the commission on a two-thirds/one-third basis. The fee split does recognize the work performed by the IDA and the Alberta Stock Exchange in fulfilling its registration functions and the regulatory oversight maintained by the commission. The \$326,000 shown in the '94-95 estimates represents the estimated portion of the registration fees which will be payable to the self-regulatory organizations in this current fiscal year.

There was a question on fees and fee increases. I can advise the members across the way, Mr. Chairman, that no new fees or fee increases for the Securities Commission are included in this year's budget. Based on a recommendation received from the commission last year, certain fee increases were approved a year ago this month. The revised fee schedule came into effect in July of '93, and the forecasted revenue based on the revised fee schedule for '94-95 is \$7.35 million compared to last year's 4 and a half million dollars. A major change to the fee structure was the implementation of a percentage fee based on the dollar value of securities sold in Alberta. Revenues from this percentage distribution fee are expected to be received from only very large offerings. Small business offerings should not be affected by the fee.

8:20

There's a question about performance, though, Mr. Chairman. I know all members would want to know about the performance of the Alberta Securities Commission. Really the ultimate performance measure is the public confidence in the Alberta capital markets, resulting in a high level of investor participation and a high level of financing activity. As this measure is so dependent on general market conditions, the extent to which this measure is affected by securities legislation and the practices of securities regulators must be evaluated from the continuing feedback from market participants. The feedback is obtained on a continuous basis through formal and informal contact between the commission and industry participants, including a number of advisory committees comprised of industry professionals.

I am also pleased to say that I have been advised that for 1993 fully 30 percent of the capital raised in Canada was for issuers

based here in the province of Alberta. This level of activity is of obvious benefit to all Albertans, is in itself a benchmark of the public confidence in the Alberta capital markets, and I believe reflects the kind of confidence that investors across this country have in the plan that we have laid out in the budgets of '93-94 and which we have committed ourselves to fulfilling through to a balanced budget in 1996-97, Mr. Chairman.

MR. CHAIRMAN: Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Chairman. A series of questions to the Provincial Treasurer. The first question relates to the late Alberta Bureau of Statistics. While that has disappeared and its publications have as well, we note that there's a variety of publications now springing up, particularly from Economic Development and Tourism. The question is why, then, would the department which is responsible really for the overall performance of all government departments and as well has been allocated responsibility for ensuring compliance with the business plans – why would it in fact reallocate or shift out of it the statistical functions that every government ought to provide both for residents within the province and those from outside who want to know data on net migration, who want to know data on building starts? Portions of it come from Economic Development and Tourism, some portions trickle out from other departments, but we no longer have a single vehicle that gives us an overall statistical view of the province.

[Mr. Herard in the Chair]

Along similar lines we note that while the Alberta Bureau of Statistics is no longer with us, we go across departments, and again Treasury is no different from any other department: a large budget for communications. Every government department has an allocation in department support services on communications, and a significant budget line as well. While the Provincial Treasurer has seen fit to in a sense remove our statistical overview of the province, he has not done much in terms of eliminating or eradicating duplication of communication services across a whole array of other departments.

An issue with regards to the Alberta heritage savings trust fund. While the hon. Provincial Treasurer was quite willing to note that it provides significant revenues to government to finance activities, he's unwilling to admit that servicing the existing debt takes away funds that could be otherwise used to finance that and that were the fund to be liquidated, you'd have an offsetting decline on expenditures on debt servicing. Furthermore, with regards to the Alberta heritage savings trust fund and the swing, it's clear that right now we have a significant portion of those funds in the short end of the market earning a rate of return less than the average cost of servicing the debt, and were in fact at least those liquid funds to be applied against the debt, there would be a net savings to the Alberta economy and a reduction in the amount that would have to be cut from programs that currently exist.

I would like the Provincial Treasurer as well to provide further information on the nature and substance of the performance reports which will be required from departments and agencies to monitor compliance with the goals, objectives, strategies that are laid out in the three-year business plans. Again, since Treasury seems to be running point on, ensuring at least some degree of comparability in the business plans, it would be useful for the Provincial Treasurer, because this obviously would fall on one of the various programs under his control, to provide a very clear outline, rules of the game for departments in government and as

well so that the opposition could have a clear handle on the nature of performance measures and benchmarks that are going to evolve through time. The outstanding feature, Mr. Chairman, of the business plans is that they're not quantifiable. There are no benchmarks, then, that tell us what will happen to outcomes as, in fact, the budget is cut, and it is certainly incumbent on the Provincial Treasurer, since that is the department that will monitor overall compliance with the business plans, to provide some quantification and some set of benchmarks that will allow us to evaluate performance and look at outcomes rather than inputs.

Can the Provincial Treasurer provide an update on the proposed role and functions of the Audit Committee as a mechanism to report to Albertans on a yearly basis regarding progress towards balancing the budget? It was this evening that in fact he tabled the report of the Audit Committee, but again there has been no clear elaboration as to exactly what its role is in achieving compliance. Could the Provincial Treasurer as well tell us exactly what the criteria are for appointments to the Audit Committee? Again, the Premier has set out a mechanism to vet appointments. It's clear that the Audit Committee performs a significant role. Clearly, the Alberta Financial Review Commission viewed it as performing a significant role in assessing compliance with deficit elimination targets, so one would think it would follow very naturally that appointments to the Audit Committee would in fact go through that mechanism to assess qualifications. To date, in fact, we've heard relatively little about which appointments go through the vetting process and which do not. It appears that in fact most do not go through the vetting process. We know of the Deputy Minister of Energy, for example, who went through the screening process, but it's not very clear what other types of appointments go through that. One would again think that it is the Audit Committee that should be front and centre in terms of going through that type of screening process, because there is a need for arm's-length advice to government. You will have any number of people who will stand up and tell you what a good job you're doing; it is in fact those people who tell you what a poor job you're doing and do so quite forcefully that are really performing their job and in fact are adding significantly to overall performance. That's certainly the view of the opposition.

Can the Treasurer provide the information on the role and function of the management board structure of selected ministers, deputy ministers, and private-sector executives established to oversee the management of financial affairs and planning activities? Which individuals will be chosen to participate in this management board? What is the nature of the selection process that will be employed? Is it an open competition through the review panel process? Again, one of the recommendations of the Alberta Financial Review Commission was for a greater focus on qualifications of appointments. I mean, that was one of the outstanding features as well of the Auditor General's report on NovAtel: arm's-length appointments and a screening process to ensure competence. So as these other mechanisms are put in place that follow upon the recommendations of the Financial Review Commission, where do we find any evidence whatsoever that they are going through this screening process that has been set up to vet qualifications?

Can the Treasurer provide an update on the instructions that have been communicated to the Auditor General relative to the undertaking of audits focusing on outcomes and performance defined in each of the three-year business plans? It's clear that that is a tack that is being taken in the Education department, actually something that we've pushed for some time: value-for-money audits – efficiency audits under another name. In fact, has the Treasurer then requested that the Auditor General undertake

those for other government departments to assess that we're achieving the greatest outcome for the minimum expenditure of resources? That is something that we have long pushed for in discussions in the Public Accounts Committee. We see that this is happening, then, with regards to school boards, but we would think it would be reasonable to expect this to be undertaken throughout government departments.

Can the Treasurer indicate what steps were taken to require all commercial enterprises falling under government control to prepare quarterly reports, as recommended by the Alberta Financial Review Commission, specifically Workers' Compensation Board, the AGT Commission and subsidiaries, the Credit Union Deposit Guarantee Corporation, and the amalgamated Softco/Holdco/SC, for example? Are those recommendations of the Financial Review Commission being implemented? If so, where does it appear, under what program, or where in the budget, to go a little further afield?

8:30

Can the Provincial Treasurer provide further information on the terms and conditions, the earn-out payments made by Telexel Holding Limited – this would be Horst Pudwill – to 496072 Alberta Ltd.? The note to the financial statements indicates that the earn-out is the greater of \$20 million and 25 percent of the payer's cumulative net income for the period June 1, 1992, to December 31, 1997, with a final payment due on April 1, 1998. Now, this is payable semiannually based on the payer's gross revenue and an annual adjustment based on the payer's net income. The first point: in light of this agreement, why was there only a \$604,000 earn-out payment recorded in the last half of 1992? Based on the pro rata formula, payment should have been in the range of about \$1.8 million, at least on a biannual basis. So we would be interested, then, in what is happening with Telexel and some of the remnants from NovAtel.

With respect to XL Foods, it has been announced that XL Foods has had a restructuring of its \$8 million debt. It is interesting that when you go through the material on this restructuring, Alberta Treasury Branches has agreed to exchange an \$8 million outstanding loan provided to XL Foods for common and preferred shares of the same value. Now, the Alberta government has agreed to exchange \$1.5 million in preferred shares for common shares of the same value.

Three questions emerge from this. First, it's again clear that the government and Treasury are working hand in hand, very much as we had argued they ought not to in light of the Auditor General's report on Gainers. Now, you can go through the public accounts, and you will see that in schedule 16 on page 1.22 there has been a write-down in 1992 of an outstanding loan guarantee of \$1,500,000, but the corresponding then shifted that to preferred. We can't see where it appears, then, as an asset for the government. We see that the loan guarantee is gone. We know from the restructuring agreement with XL Foods that they've been willing to accept the \$1.5 million in preferred shares, but where does it appear, then, in the public accounts? Where does it appear as a part of the assets of the provincial government? Where is this \$1.5 million appearing in any place in the budget? It's clear that Treasury Branches views it as having some significant value.

[Mr. Tannas in the Chair]

With regards to the issues of insurance and insurance liability, we would request that the Provincial Treasurer provide additional information on automobile insurance and the high-risk category, how that is in fact being handled and treated. As anybody from

their constituency offices can attest, there are concerns about the cost of insurance to this high-risk group. There have been some discussions about shifts to no fault because of perceived problems with the existing automobile insurance market. Will the Provincial Treasurer just tell us what is in fact occurring then, because this falls under his purview?

Will the Provincial Treasurer provide us with additional information as to exactly when the long-awaited review of the Alberta heritage savings trust fund is going to occur? This long-awaited review has had more announcements than the Second Coming, but nothing yet has appeared as to when it will meet, when it will start, what its agenda will be, what its mandate and what the composition of that committee will be. The Provincial Treasurer has spoken glowingly of the role that the Alberta heritage savings trust fund plays. It's very clear that if he were listening to his constituents, many of them have concerns that the Alberta heritage savings trust fund continues to be used to finance through the back door an array of Crown corporations that otherwise could not borrow funds except through government.

Would the Provincial Treasurer also provide to this House information as to exactly what will be happening to the Treasury Branches? We have asked in question period, following upon the recommendations of the Alberta Financial Review Commission, that the governance of the Alberta Treasury Branches be assessed. It was clear from the report on Gainers that the Auditor General had a significant concern about the nature of the arm's-length relationship between Alberta Treasury Branches and the Treasury. It was clear from the document cited by the Auditor General that in at least one instance with regards to Gainers there was distinct political interference in the loan. The Provincial Treasurer in response to a question in this House said that certainly they would assess, then, some move towards governance with a board of directors and a superintendent that would report to that board of directors. The question is: what in fact is going to happen with regards to Alberta Treasury? Will they set up an arm's-length board of governance so that these issues of potential interference in the operation of the Treasury Branches will be put to rest once and for all?

With those comments, Mr. Chairman, I'll conclude.

MR. DAY: Mr. Chairman, given the hour, I am looking forward to making some comments. I'd like to refer to program 3, vote 3.2, budget and fiscal policy. I see in this particular area that one of the things it does is provide policy research, analysis, and recommendations. There are some \$3 million there. I'd like to put some suggestions to the Treasurer to see if some analysis could be done.

You know, I believe we've done a very good job in communicating to Albertans that we're not raising their taxes and also that business taxes are staying down and staying the most competitive in the country. All of us know on both sides of the House that Canadians and Albertans are very, very discouraged about the tax regime in general. It is good, and I am pleased that we can say to Albertans that they are the least taxed people in the country, but they still pay. We still pay a lot of tax. There's no question about it.

It's getting to the point of incredible discouragement, especially for working people, when governments, in this case the federal Liberal government – the appearance to the working person is that the government sits down and tries to figure out more ways to slap them down for their efforts. We saw some examples of that in ways that are so petty, it would seem, yet the people that have been talking to me are saying, "It's not just heartbreaking; it's backbreaking." In fact, we know that as the tax regime loads up

the weight on people's backs, in fact it drives people underground and drives the economy underground.

So I'd like to ask on a couple of areas that we've just seen come out from the federal budget, where of course they ignored reducing their spending and looked at smacking the taxpayer, the hardworking person, the person who's trying to pull in a few dollars: hit him again, hit her again, knock them down, and try and drag a few extra bucks out of them.

One of the areas was on the so-called entertainment and reflecting on the business lunch. I know that's a small area, but there somehow got to be a perception in the minds of the Liberals that this is an area where we can smack people again, and they don't realize who they're hitting. They're hitting the middle-income, small entrepreneur, who is out there trying with everything he's got to create a little bit of income and create a little bit of wealth in the province. Sometimes when people think of entertainment income, they think – I don't know – lavish corporate jets or whatever it might be, but I'm thinking of truck drivers here in the province, up and down Highway 2 all day and no longer being able to claim certain expenses there. I'm thinking of the people in the financial markets. I'm talking about what we'd call the small entrepreneur, the people who are out there encouraging other middle-income people to invest, who often are able to use one hour over lunchtime to sit down and explain the financial markets to somebody who's trying to build up a little nest egg and explain to them what they can do to that. It is such a small area, yet the tokenism here is that every single vestige of entrepreneurship or of personal initiative just gets slapped again.

8:40

I think it would be a powerful signal if we were to take a look at what it would cost us here in the province to look at some way in which our tax policy could in fact make up that loss that people are now experiencing. Now, it may be that because of that federal hit, it would derail our own budgetary plans too significantly for us to do it. But think of the significance, think of the effect that would have across the country – I say this for the Treasurer's consideration – of that going out, that here in Alberta we don't like our entrepreneurs and our truck drivers and other people being slapped again by the Liberals so we said that we're going to find a way that they can still have that. I would put that and ask under that vote, where there is money directed towards analysis and budget and fiscal policy, 3.2: can that be looked at at least to see what the implications would be there?

Then another area. You know, we've been concerned that as we continue to get our financial house in order, we will be perceived by the federal government, quote, as a have province and that they'll see in '96-97 the balanced budget and of course that they will say, "Well, let's go after some of the slack that Alberta has there on the financial side," totally ignoring the fiscal restraint that we've put into place and taking the usual Liberal approach of taking from not the rich but from the hardworking and giving maybe to those who aren't willing to be as hardworking on the management side.

So we've looked and we've said, "How might they come at us?" Well, there was an interesting adjustment in the federal budget whereby people who work outside of the country – that is, Canadians who work outside of the country – no longer enjoy some of the same tax benefits that they had from drawing a salary in another country. So let's just carry this thought a little further. I believe an analysis would show that if not the most significant industry then one of the most significant industries that has people working outside of Canada is – what? – the oil and gas industry obviously. So which industry's workers are getting hit more than

anybody else by this new federal hit of taxing people who work outside the country and draw their salaries from outside the country? It's the oil and gas sector. We don't have to be rocket surgeons, as Don Cherry says, to figure out which province you think has the most people working in oil and gas. Obviously Alberta. So which citizens are getting hit the hardest on this policy? Albertans.

You know, a former neighbour of mine worked in and still is, I believe, working in Siberia 28 days at a stretch, 40 to 50 degrees below zero. We think it's bad being away from our families for a few days at a stretch up here. This man is away from his family 28 days at a time. It did not bother me one bit that he enjoyed some tax advantage for that. I was very happy that he could enjoy that. What happens? Along come the Liberals and slap him right in the side of the head and take that from him. That's a direct hit on Alberta and on Albertans. [interjections] You know, those who are reading *Hansard* at this moment can't hear the shouts of protest from the Liberals across. I'm talking about protecting hardworking Albertans and looking at some way to soften the blow that the Liberals are dealing, and these people are angry that I'm bringing this up. So I just want that noted.

MR. CHAIRMAN: Hon. Government House Leader, perhaps you're going to tie this in to the budget estimates; are you?

MR. DAY: With greatest respect, Mr. Chairman, I've referred a number of times to the direct estimate, and any ramblings that are recorded in *Hansard*, which have always been allowed because it's wide-ranging debate, surely would show that people talk their full 20 minutes and never once refer to the estimates. I'm talking about direct budget and fiscal policy. It could not be more precise, and it's right here.

So in that particular area could we have that vote directed towards doing a little bit of analysis on that one, our oil and gas people who are working outside of the country and now losing that advantage, slapped on the side of the head again by the Liberals? Can we look at how that could be made up possibly with some of our own provincial tax policy?

The third area is the incredible effect that compound interest has on us. I know that the Treasurer has worked very diligently, as all of this government caucus has, to make sure that we have a plan in place that the international markets respond to. We've seen that in terms of credit rating and credit analysis, and we've seen the opposite effect by the Liberal budget, which is of course now having a devastating effect on our interest rates. Can the Treasurer direct his people in this particular area to do some work in terms of looking at – now, I don't want to scare anybody here – a made-in-Alberta interest policy, something that would reflect the hard-earned ratings that we have achieved on international markets? I don't know if it can be through our Treasury Branches, if it can be through amendments to the Bank Act that the Treasurer would present.

In fact, I understand that the Bank Act is coming up for revision in 1997. It has always been a mystery to me why the federal government back just after the turn of the century gave up the interest controlling power of the Bank of Canada and handed it over to the banks. That's always been something that I have not understood, and I'm wondering if we can do some analysis on this to see if we can make a recommendation, a revision to the Bank Act that looks at getting this power back into the hands of the government so that on government-related borrowing and on large public infrastructure projects we can look at very low if not negligible interest rates instead of the rates that we have to pay. I'm not talking about subsidies, I'm talking about the government

creating some fiscal policy and some favourable interest tax regime. [interjections] I'm glad to hear the resounding support through the Chamber on this, and I'm wondering if we can have some of those dollars in the vote directed towards those questions.

MR. DALLA-LONGA: I'm speechless. Mr. Chairman, it's unfortunate that we couldn't hear many of the Treasurer's comments, and it's unfortunate for the colleagues on his own side. Maybe they'd understand what he was talking about if they paid attention. I was listening very intently to the Treasurer's comments; unfortunately, he was going so fast that it was hard to keep up.

MR. DAY: We'll talk slower for you, Danny.

8:50

MR. DALLA-LONGA: Yeah. I'm sorry that he went so fast. He'd have made a great neighbour for somebody with a windmill.

Anyway, the hon. Minister of Labour made reference to some questions that I had in my mind as well, but I should clarify something. Earlier today he made a comment about how he only asked a few questions on the numbers here, which basically degenerated to an exercise of comparing last year's estimates to this year's estimates. I think one of the things that has to be made clear when you look at these numbers – you have to look at the manner in which they're prepared and understand if there's any validity in some of the thought process behind these numbers before you go and just simply ask, "Why did vote 2.2 change by 10 percent?" and move on to the next number and basically not understand what's behind those numbers.

MR. WOLOSZYN: Do you understand them?

MR. DALLA-LONGA: Well, I'm trying really hard.

Anyway, I listened with interest to the Treasurer's comments about the stock markets and how well they did this last year. The government is quick to take credit for that success in the stock markets, and that's part of the votes here as well. I guess on that basis – maybe the hon. Member for Stony Plain would take heart in this as well – what's the reason for the financial success in the province of British Columbia? Is it because of the NDP government there? My point being that I think government had very little to do with the success of the stock market this last year on the Alberta Stock Exchange, and that will be borne out by the fact that this year they won't be raising as much money for junior oil and gas companies.

Now, the last time I stood on the Treasury estimates, I asked a question about franchises. The Provincial Treasurer didn't hear me then, as he's probably not hearing me now, but I said to him that if he wanted to increase the Alberta advantage – hon. Mr. Treasurer, could I have your attention, please? [interjections] I was bringing up the point of franchises. [interjections]

MR. CHAIRMAN: Hon. members, just a gentle reminder: the conversations are to be carried on outside, and debate and talk is done through the Chair inside. And that's to both sides.

MR. DALLA-LONGA: My point was, Mr. Chairman – and he asked me to repeat it last time; he's going to probably ask me to repeat it again this time – that one of the biggest problems we have in this province is our laws with regard to franchises. Many people have asked me in discussions that I've been in: why do our franchise laws have to be so difficult and so complicated?

Another suggestion that I would have and that's been proven in many jurisdictions is that we should look at implementing a type

of program known as an employee stock ownership program, ESOPs. This program has been implemented very successfully in U.S. jurisdictions. They have various ways of implementing it. It's been implemented in sort of the same form in some of the eastern provinces. What basically it involves – and the Minister of Labour would be interested in this – is getting the employees involved in the ownership of business, particularly private business. There may be certain incentives that are associated with those stock ownership programs.

I listened intently to the hon. Minister of Labour's comments about royalties and some taxation regimes – not so much royalties but taxation regimes – and how the province of Alberta is one of the lowest taxation regimes. That's often not totally an accurate depiction because the government side is always quick to exclude the taxes that are collected as royalties. When you put in those royalties, we come in very close to many of the other provincial jurisdictions, and in fact we exceed some of them. So I think we shouldn't be so quick to take credit, because I don't know how much longer oil revenues are going to be around. They might be around for 10 years – well, they'll be around longer than 10 years, but 20 years, possibly 40 years; who knows? – before they start serious decline. So to just constantly say that we've got the lowest tax regime in Canada is not entirely accurate. Then when you throw in these new fees which have just been implemented and probably which are going to be implemented, we'll probably be one of the higher taxed provinces.

I wanted to bring out something about business lunches, because that's a topic of mine as well. It's a bit of a pet peeve because in my previous life I participated in many business lunches. Yes, they're only 50 percent deductible, and there were many abuses in the business lunches. I'm going to tie this in here pretty quickly, Mr. Chairman. We must remember who the first government was that knocked 20 percent off the business lunches and made them only 80 percent deductible.

MR. CHADI: Who was it?

MR. DALLA-LONGA: Who was it? It was the federal Tories.

MR. CHADI: No.

MR. DALLA-LONGA: None other, yes. None other than the people that brought you the GST – the GST, yes, sir.

MR. CHADI: You're kidding.

MR. DALLA-LONGA: I'm here to tell you.

Now, the last time I spoke the Provincial Treasurer wasn't listening again, but I said, you know, I was disappointed to see that we're going to get rid of our provincial tax regime. He probably won't remember, probably didn't even know, but we brought in that provincial tax regime, our own Alberta Treasury, so that we could have our own fiscal policies. Then if we still were to maintain that fiscal tax regime, we could do what the hon. Minister of Labour wanted to do. We could say to the feds, "You tax business lunches however you want, and here in Alberta we're going to allow a full tax deduction." So here we have a contradiction. I mean, if we'd have our own Alberta Treasury still, we could allow a hundred percent deduction for business meals.

While we're on the issue of taxation, I read with intent where the hon. Member for Red Deer-South talked about Hong Kong and their tax regime and where you only pay 15 percent once you get up to \$150,000. It must be the air here or something about misinformation about taxation regimes, because it's true they don't

pay much tax in Hong Kong, but they don't make much money either. The average per capita income is \$11,000, whereas in Canada it's \$20,000. In fact, in Alberta it's over \$22,000. So to compare and make those comments is totally ridiculous. They only pay 15 percent tax over \$150,000 in Hong Kong: I don't even know what the relevance of that is.

Anyway, Mr. Chairman, I'm going to wrap up here pretty quickly because I want to let someone else speak. [interjections] I know you're all disappointed and you'd like me to continue, and maybe I will. I can talk about a few other things here.

Just in closing, I'd like to reiterate one more time that I think that if we really want to have an Alberta advantage, we should look at helping small business finance itself. I think this employee stock ownership program is worth looking at. We are currently in an indirect manner financing the employee stock ownership programs of other jurisdictions, and I think it's something worth looking at. If you needed any help, I'd be happy to help you.

Thank you very much.

MR. CHAIRMAN: The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you very much, Mr. Chairman. I couldn't help but listen to the hon. Provincial Treasurer and make some notes about his opening remarks, particularly with respect to the Alberta heritage savings trust fund. The comments that he made were such that this fund generates for Albertans \$2 million per day in income – \$2 million dollars per day, he says. He's not wrong. It does generate \$2 million per day, because it's around \$750 million total, if I'm not mistaken, throughout the year.

I've got a series of questions for the Provincial Treasurer. What loans and investments out there generate these funds? To whom are they, that generate these funds? Mr. Chairman, you'll find out that the major portion of that \$2 million per day would probably come from the GRF itself. In other words, government is paying for services like AOC, for example, AADC, and loans to the GRF. Then again the GRF pays to the heritage savings trust fund. The heritage savings trust fund gives back to the GRF and visa versa. I think what the Treasurer ought to do is say, once and for all, how much we are actually getting and none of this nonsense of this circular accounting. Even though it's generally accepted by the accountants and it's okay to do it, it's not right. What we have to do is tell Albertans exactly what it is that we are getting from the heritage savings trust fund and not what we're getting from the general revenue fund. We've got to do that now.

9:00

I'd like to know as well that within the heritage savings trust fund the administration itself – we pay an awful lot of money towards the administration of this fund, and the duplication and the overlap have got to be phenomenal. Not only the administration of the fund is what we should look at but the individual government entities within that fund. Each one of those is wrapped up with administration. So then you start to add all of that up, Mr. Chairman, and you say to yourself: well, goodness, we've got \$5 billion to \$7 billion in liquid securities, and therefore that gives us about \$2 million per day. But then you note that that money is coming from the general revenue fund and it's going around in a circle, right around, and you've got to say to yourself: just where do we stop this thing?

The Premier said that he was going to set up a committee. My colleague alluded to it earlier. We've long awaited this committee. I want to know when this committee is going to come forth. Is it going to be an all-party committee? Is it going to be a committee that is going to have a mandate to come with some

recommendations by the end of this year, maybe by the next session? When is it going to happen? We really need to know this. Five to 7 billion dollars is what I think is in there in liquid securities. We're not sure; again we're told this, Mr. Chairman. I'd kind of like to know what the actual answer is, because when this committee comes forward, we're going to start looking and seeing what this committee has found out compared to what the hon. Provincial Treasurer tells us.

Another thing, Mr. Chairman, is the questions one asks in committee. Sometimes you ask different ministers, and you get responses at the end of the day, and if you don't get them at the end of the evening, you normally get them in writing. The Provincial Treasurer has not responded to a number of the questions that I asked last time, and I maybe won't waste my time this time around. What I'm going to do is perhaps put it in writing and send it to him. I would hope that any questions that are asked of the Provincial Treasurer do indeed get answered. I think that our time is quite valuable in this committee and in this stage of the estimates debates. The questions that are asked ought to be answered because that's what we're here for and that's what the minister tells us he's going to do.

Now, the Member for Red Deer-North spoke at length with respect to 3.2, budget and fiscal policy. He alluded to how we should perhaps have a tax regime that is made in Alberta. Not a bad idea. I think we had something like that. We had a mechanism in place. Now, in the wisdom of previous administrations, they saw fit to implement such a system. The Provincial Treasurer now in his infinite wisdom decides that he doesn't want it, so he's going to hand it back. But I think that mechanism was sent back or disbanded in haste. I think the Member for Red Deer-North wasn't too far wrong when he said that we ought to have had a system whereby we could have our own taxation policy and be able to set our own taxation policy, because that mechanism was here.

The Member for Red Deer-North goes on to say that taxes in Alberta are the lowest in the country. Now, we've heard this time and time and time again. Well, the taxes in this province are really not the lowest when you calculate what the fees are. Other provinces in Canada are quite clear that they have their health care systems and their health care rates included within their personal income tax. Right out of Budget '94 it's quite clear. It shows Alberta as having 45.5 percent of basic rate of personal income taxes, but it does not mention how much of that is health care. You know why, Mr. Chairman. Because it's not included in there. You see, we collect somewhere in the range of \$3 billion in personal income taxes. Well, at least we're projecting we should collect that. I think the Provincial Treasurer overestimated that. Time will tell. I think he's going to have to do some scrambling pretty soon. Nonetheless, \$3 billion; \$500 million in health care premiums alone that are not added in there, you see. So when you add that \$500 million, that works out to about 17 percent. That 17 percent added to that 45.5 percent: my goodness, that puts it about 62 and a half percent. Sixty two and a half percent. Goodness gracious, we're not the lowest anymore, you know. No longer can anybody in Alberta stand and say that we've got the lowest personal income taxes, because, golly gee, we don't have it. God Almighty, 62 and a half percent is incredible when we start talking about the basic rate.

MR. DINNING: What is 62 and a half?

MR. CHADI: That is 62 and a half percent.

MR. DINNING: What is it?

MR. CHADI: Mr. Chairman, the Provincial Treasurer is wondering what it is. Well, you see, right on page 56 of the budget plan it's quite clear that the basic rate is 45.5 . . .

MR. CHAIRMAN: Hon. member, I did not ask any questions. You don't have to answer nonexistent questions. If anyone is calling to you across the floor, they are of course out of order and so you ignore them.

We would ask you to continue your debate and discussions to the Provincial Treasurer through the Chair.

MR. CHADI: Through the Chair. You're absolutely right, Mr. Chairman. I do realize that the . . .

Point of Order Questioning a Member

MR. DINNING: A point of order, Mr. Chairman.

MR. CHAIRMAN: The Provincial Treasurer is rising on a point of order.

MR. DINNING: To reduce the obfuscation from across the way, Mr. Chairman, would the hon. member permit a question?

MR. CHAIRMAN: Would the hon. Member for Edmonton-Roper entertain a question?

MR. CHADI: Mr. Chairman, thank you very much, but I have only 20 minutes, and I think I don't have very much time here to deal with after this.

MR. CHAIRMAN: Is the answer yes or no, please?

MR. CHADI: If the Provincial Treasurer would like to ask me a question, he can ask me later, thank you very much, and I'd be happy to respond to him.

MR. CHAIRMAN: All right.

Debate Continued

MR. CHADI: Mr. Chairman, you're absolutely right. Your ruling is correct that I should speak through the Chair, and I ought to ignore the Treasurer. You're absolutely correct, and I promise you that from here on in I will. The Provincial Treasurer, though, did make some comments that I overheard. Even though I was focused on you, Mr. Chairman, my ear was pointed in that direction, and when I heard those comments, I just couldn't help but respond because I knew he needed some help.

The 62 and a half percent is quite clearly one of the highest in the country now. We're not the lowest anymore, Mr. Chairman; we're the highest. Now, let's put that to bed, because we can no longer boast about that. It's so easy to chastise the federal government, and they go on to say that the feds have done this and the feds have done that. But then again you know what this government does. This government goes on and says that they didn't increase any taxes, but at the same time we've got 80 new or higher taxes and fees. You know, we've got a tremendous amount here. When we start adding up all of these – they call them fees nowadays; they're not called taxes. It's a new word. I think it's a buzzword. Is that what they're called nowadays, buzzwords? I think that's what it is; they're called buzzwords. You see, it's called a fee. You know, when you start talking about fees, they even talk about the introduction of a membership

fee for 4-H. Now, how low can one get? How low can anybody get when they can start talking about business lunches and yet take away the lunch right out of a child's lunch box? Introduction of a membership fee for 4-H: absolutely ridiculous. Unbelievable.

Can you believe, Mr. Chairman, that in education alone there are new fees of \$20 to \$25 for duplicate or permanent teaching certificates? For a certificate. You've got to pay for that nowadays. You see, this isn't part of your taxes nowadays. Fees for firewood at provincial campgrounds. [interjections] Lord Almighty. Yeah, it's high time. Absolutely. I agree. And guess what?

MR. CHAIRMAN: Order. If these interjections become too persistent, the Chair will be forced to name. Hon. minister.

MR. CHADI: Thank you very much, Mr. Chairman.

MR. CHAIRMAN: Would the hon. member continue in the least provocative manner that he can.

9:10 Debate Continued

MR. CHADI: Absolutely. When I'm speaking to the Treasury estimates, Mr. Chairman, I can't help but include taxes and fees, because that's all part and parcel of the revenues which are included in the Treasury Department.

Now, in Health alone, when I talk about \$500 million, you've got to bear in mind, Mr. Chairman, that health care insurance premiums this year alone are to rise 20 percent – pardon me; over the next three years. Now, 20 percent of \$500 million – I'll add another \$100 million to that. I think if we add that \$100 million, now we're all of a sudden somewhere in the range of about 68 percent. Now we're even higher than we – we're the highest. I mean, goodness, there's no stopping what the personal income taxes can grow to in this province.

And get a load of this, Mr. Chairman. One more thing here: full health care premiums to be paid by seniors with income above \$18,200 for singles and \$27,600 for couples. So now we're even charging the seniors more fees: more taxes, even more. I think it's even going to go higher now than the 68 percent that I'd originally calculated. Goodness, I ought to stop reading, because pretty soon I might reach over a hundred percent.

So, Mr. Chairman, when one starts to talk, particularly the Member for Red Deer-North, about how bad the federal government budget is and how badly it's going to cause the interest rates to rise and how badly it's going to cause the dollar to fall, one only has to look in their backyard. One doesn't have to go very far to find out what it is that we're all up against.

Mr. Chairman, I started talking about and asked questions with respect to 3.4, risk management insurance. In my first round of Treasury estimates – I believe it was a couple of weeks ago – I asked the Provincial Treasurer what it actually meant. What was risk management insurance? I suspected that what it was was the underwriting of insurance premiums within the government of Alberta, within all the departments. Some of the questions that I had at that time related to things like what sort of losses have been incurred. Now, it's very, very vitally important when you're expending \$1.891 million, almost \$2 million there, to understand what sort of losses. Are we self-insuring, or are we not? I asked that question last time. Are we out in the open marketplace, or are we not? Does this \$1.891 million mean that this is what we project to be our losses for the year if we are self-insuring? Last year we were in the range of \$2 million, \$2.1

million. He did not answer this, and I can tell you that I'm still waiting for a response to this.

I suspect that we are self-insuring, and the Provincial Treasurer mentioned in his opening remarks that by next fiscal year we will be transferring it to all the different departments, so all departments will now have to start looking after their own insurances. That's not a bad idea at all. It's not a bad idea inasmuch as each one will now be accountable, and at the next estimates debate, the next budget debate, we should be able to look at every single department and see what each department has allotted for insurance purposes alone.

Now, he also said something to the effect that each one of those departments will be able to do their own underwriting and be able to assess the risk and the losses that may be projected. I think that we have to do something a little bit differently here. What we have to do is look at going into the open marketplace. We have to and must insist that we go into the open marketplace to provide our insurance and get our insurances. No longer can we allow ourselves to do our own underwriting. There are businesses out there, a tremendous amount of businesses out there. Agents that are out there would dearly love to get a piece of the action of this government. I can tell you that the Minister of Municipal Affairs understands privatization. He's probably the only one in this whole House that understands it the best. He ought to give some advice to the Provincial Treasurer on how to go about privatizing risk management insurance and putting it in the marketplace out there. It's not right that when we get out of the business of being in business – we got out of the booze business; we're now out of ALCB. We're now out of the registries. Why are we doing our own insurance? What for? Particularly almost \$2 million here: maybe we can get it cheaper out in the private marketplace. Why aren't we looking at that? I would like very much that the Treasurer would give me a response to that somewhere.

MR. DINNING: We're self-insured.

MR. CHADI: Well, I asked the question some time ago whether or not we were self-insuring, and I got some calls back.

Even though my focus was on you, Mr. Chairman, my ear is over to this side, and it's just a natural thing; it's just the way and where you're sitting. I was told that we were self-insuring.

If we're self-insuring, then what I'd like to know is: this projected expenditure of \$1.891 million, what does that include? What sort of losses are we projecting here? We're self-insuring, so we expect to expend almost \$1.9 million. Well, where are these losses? Were these losses incurred in 1993-94, that we are now paying out in this year? How did we come up with a number of \$1.891 million? I mean, did we pick it out of the sky? I think that's what it's going to be. Or did the Provincial Treasurer get a phone call from somewhere to say, "Just get ready; you're going to expend \$1.891 million in insurance this year"? We want to know these things, because if we are self-insuring, then it does not hold water. You've got to tell me now. This number tells me that we're not self-insuring.

Mr. Chairman, at this point in time what I'd like to do – I've got an awful lot of questions yet. Firstly, I want to talk about the Treasurer's own office budget. The Treasurer's office budget does not reflect the type of cuts that other departments have been subjected to undertake this year. What I'd like very much to do at this point in time is to move an amendment on behalf of my colleague the Member for Edmonton-Whitemud. I believe that amendment is now in the hands of Parliamentary Counsel. I will allow some time until this is passed along.

MR. CHAIRMAN: We're having a motion to change the estimates, 1.0.1.

MR. TRYNCHY: Question.

MR. CHADI: Just hold your pavement, buddy.

MR. CHAIRMAN: Edmonton-Roper, I believe you now may proceed with your motion. You're going to make a motion; are you?

MR. CHADI: Thank you very much, Mr. Chairman. It has now been passed around.

Treasurer's Office Budget

Moved by Mr. Chadi on behalf of Dr. Percy:

Be it resolved that the Provincial Treasurer's office under vote 1.0.1 of the 1994-95 estimates of the department of Treasury be reduced by \$41,420.

MR. CHADI: This move would reflect that the budget be cut to a figure that is consistent with other departments' within government. Now, the Provincial Treasurer – I believe it was last weekend – was lecturing people like the school boards and others on how they weren't cutting enough in administration. They went on and on that administration has to be the one area that has to be looked at and cut, and I say to the hon. Provincial Treasurer just to practise what you preach. [Mr. Chadi's speaking time expired] We have an amendment on the floor now.

MR. CHAIRMAN: The hon. Provincial Treasurer, rising to speak on the motion.

9:20

MR. DINNING: On the amendment no less, Mr. Chairman, I believe. I would be happy to and of course would want to inform members of the Assembly on some of the other points that may have been raised this evening.

The member across the way astonishes all members, I'm sure, by the nature of some of his remarks. I would, in wanting to respond to his call for fiscal responsibility and reductions, at the same time describe to him again, perhaps more slowly this time, the risk management insurance side. The amount of money provided there is \$1.891 million this year. That is budgeted as an operating expenditure, and it includes not only the division expenses but a portion of both the claims and the insurance premium costs that will be incurred by the fund on behalf of government departments. Naturally, while individual departments are responsible for the small deductions for losses . . .

MR. CHAIRMAN: Hon. Provincial Treasurer, we do have a motion before us. We'd like to hear your other comments, but could you focus in on the motion or how these things tie in with the motion?

MR. DINNING: Well, Mr. Chairman, I am trying to do so in trying to explain to the hon. member that last year there was a \$2 million expenditure in this area. This year, through improved management and through a forecast and a careful assessment of the costs, the costs that I am bringing forward to this Assembly as the Provincial Treasurer responsible for the Provincial Treasurer's budget within the Provincial Treasurer's office, are an expenditure of \$1.891 million in this important area of insurance

and risk management. Before you called on me, Mr. Chairman, I was about to complete the sentence that suggests that the risk management fund does self-insure deductibles when insurance against those large unexpected losses is purchased.

This is an important area. I know that members across the way would want me to defend the investment of the ministerial office budget of some \$370,000, which I reminded members in my opening statements is a reduction of some 29 percent plus in the amount that was expended from the base year of 1992-93. If I can point the hon. members across the way to how many of our four-year plan numbers have been developed, they've been developed on the basis of the '92-93 base. So I think that's an important factor to consider, that I would want you, Mr. Chairman, to consider as we debate this important amendment.

I couldn't help but think back, though, to the earlier part of the debate before this motion – because I know my comments here will affect the amendment that's on the floor – and the higher interest rates that my colleague for Red Deer-North was talking about. He was here talking about a made-in-Alberta interest rate policy. The tragedy is that since the Prime Minister of Canada appeared in Edmonton on a radio talk show saying that all of the expenditure cuts that need to be made have been made – we don't need to make any more – interest rates in this country have risen by 200 basis points. The dollar has dropped by 3 cents. Mr. Chairman, that is a tragedy. [interjections] While the member across the way may want to reduce my office budget by \$41,000, what the Liberals in Ottawa, at the behest of the Liberals here in Edmonton, have done is gouge Canadians, gouge Albertans by taking dollars out of their pockets that are rightfully theirs, because of irresponsible monetary policy, irresponsible fiscal policy that has taken dollars out of the pockets of Canadians.

Point of Order Relevance

MR. CHAIRMAN: Edmonton-Glenora is rising on a point of order.

MR. SAPERS: Mr. Chairman, the hon. Treasurer is supposed to be talking on a motion which is amending the estimates, and I wish he would get to the point.

MR. CHAIRMAN: I think you're asking for relevance, are you, Edmonton-Glenora? The Provincial Treasurer has assured us that he's tying this in.

Debate Continued

MR. DINNING: Mr. Chairman, I don't think anything could be more on point than the irresponsible Liberal policy that is going to be the ruination of this country.

Knowing the nature of my temperament right now, I do move that this committee rise and report. [interjections]

MR. WICKMAN: Point of order.

MR. CHAIRMAN: A point of order cannot be on the motion.

MR. WICKMAN: He's moved that we rise and report.

MR. CHAIRMAN: Yes. It's a nondebatable motion. If you wish to after the motion talk about something, that's quite a different matter, but it is not a debatable motion.

MR. WICKMAN: Mr. Chairman, it's a point of order. I'm not debating his motion.

MR. CHAIRMAN: Hon. Government House Leader, committee, I will hear the point of order, but as soon as I hear it referring to the motion, which is not debatable, we'll stop.

MR. WICKMAN: Mr. Chairman, stop to think for one second what's happening here. You as Chairman . . .

MR. CHAIRMAN: Hon. member, this is not a debatable motion. We'll call the question; then you can debate.

All those in favour that we rise and report progress, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Carried. Call in the members.

[Several members rose calling for a division. The division bell was rung at 9:28 p.m.]

[Ten minutes having elapsed, the Assembly divided]

MR. CHAIRMAN: Order. The Committee of Supply is reminded that we're considering tonight the estimates of the Treasury Department. We have a motion on the floor that has been moved by the hon. Member for Edmonton-Roper in the name of the hon. Member for Edmonton-Whitemud. The hon. Provincial Treasurer has moved that we rise and report, and we are voting on that motion, not on the Treasury Department estimates, not on the amendment but on the motion to rise and report. [interjections] Order. We are voting on the matter of rising and reporting.

For the motion:

Ady	Havelock	Mirosh
Black	Herard	Oberg
Burgener	Hierath	Pham
Calahasen	Hlady	Renner
Day	Jacques	Rostad
Dinning	Jonson	Smith
Doerksen	Kowalski	Sohal
Dunford	Laing	Stelmach
Fischer	Lund	Taylor, L.
Forsyth	Magnus	Trynchy
Friedel	Mar	West
Gordon	McClellan	Woloshyn
Haley	McFarland	

Against the motion:

Abdurahman	Dickson	Percy
Bracko	Germain	Sapers
Bruseker	Henry	Sekulic
Carlson	Leibovici	Van Binsbergen
Chadi	Nicol	Wickman
Collingwood		

Totals: For - 38 Against - 16

[Motion carried]

9:40

[Mr. Herard in the Chair]

MR. ACTING SPEAKER: Order please.

MR. TANNAS: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions of the department of the Treasury, reports progress thereon, and requests leave to sit again. I wish to table copies of all amendments considered and a number of documents filed in the Committee of Supply on this date for the official records of the Assembly.

MR. ACTING SPEAKER: If the Assembly concurs with the report, indicate so by saying aye.

HON. MEMBERS: Aye.

MR. ACTING SPEAKER: Anybody against? So ordered.

**Point of Order
Debate on Estimates**

MR. WICKMAN: A point of order.

MR. ACTING SPEAKER: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Speaker. I rise on a point of order, Standing Order 58(1), estimates consideration. Bear with me as I read this section. "The Committee of Supply shall be called to consider the main estimates on not more than 25 sitting days." There are seven subsections that follow, but I'm not going to read them all through. The very first sentence of this section talks in terms of sitting: "main estimates on not more than 25 sitting days." Not more. Technically speaking, I guess, on that basis the Government House Leader could stand up on the second day and say, "I adjourn estimates debates, because it's not more than 25 days; it's only two days." But that's not done, and the reason it's not done is because traditionally the government, at least in all the years I have been here, has respected the fact that the estimates are allowed to carry on for 25 sitting days. [interjections] The minister over there is hollering that now we only have 17 departments. That's fine, but why don't they change the Standing Orders? If suddenly they want to change . . . [interjections]

MR. ACTING SPEAKER: Order. [interjections] Order.

MR. WICKMAN: Hush them up a bit, Mr. Speaker. Hush them up.

MR. ACTING SPEAKER: Order.

MR. WICKMAN: Mr. Speaker, they should not be doing it through the back door. Now, you guys have a couple more members than we do. You could very well bring forward any time the appropriate amendment and change things, do it properly. Don't try and do it in these sneaky little fashions.

Mr. Speaker, what type of respect is it when traditionally this House considers a budget estimate a full evening, a full afternoon, whatever the case may be, and then the Government House Leader stands up after an hour and 15 minutes, or in this case 20 minutes, just kind of arrogantly saying, "Well, in view of the time" and such. This foolish little game shows absolutely no respect for the proper procedures of this body. No respect.

Mr. Speaker, it is one thing to have a little bit of power, but don't abuse that power. Just follow through on what is happening here. The Government House Leader stands up today at - what

was it? About 20 minutes after 9? What was it last night? Nine o'clock? Technically speaking, by the Government House Leader's rules, I guess at 5 minutes after 8 he could stand up and say "I adjourn." Then I guess he could point to the Standing Orders and say he complies, because that's one sitting day. With the willingness of the ones behind him there, he could totally disrupt or destroy a procedure that has been in place to try and bring about some meaningful discussion, some meaningful debate . . .

MR. ACTING SPEAKER: Hon. member, I've been trying to get the drift of what the point of order is about. Could you make the point, please.

MR. WICKMAN: Mr. Speaker, do you want me to start again?

SOME HON. MEMBERS: No.

MR. WICKMAN: Mr. Speaker, 58(1). I'm talking about estimates consideration. To conclude it, in 1989 when I was here and 1990, '91, '92, '93, and now '94, never before have I seen a Government House Leader stand up and arrogantly adjourn the debate on budget estimates. Mr. Speaker . . .

MR. ACTING SPEAKER: Hon. member, I believe, if my memory serves me correctly, that we had a similar debate earlier this afternoon. The Speaker indicated at that time that the House leaders should get together on this and discuss it. I really don't see a point of order.

Hon. Government House Leader.

MR. DAY: Thank you for your preliminary reflections on that, Mr. Speaker. If I could quickly add to it, the member opposite . . .

MR. COLLINGWOOD: The point of order has been ruled on.

MR. DAY: I take my direction from Mr. Speaker.

MR. COLLINGWOOD: He just ruled on the point of order.

MR. ACTING SPEAKER: I indicated I did not see a point of order. Thank you.

head: Government Bills and Orders

head: Second Reading

Bill 18

**Freedom of Information
and Protection of Privacy Act**

[Mr. Deputy Speaker in the Chair]

MR. DEPUTY SPEAKER: The hon. Member for Rocky Mountain House.

MR. LUND: Thank you, Mr. Speaker. It is with a great deal of pleasure that I rise to move second reading on behalf of the hon. Premier of Bill 18, the Freedom of Information and Protection of Privacy Act. Back in the latter part of August, I believe the last day of August, the hon. Premier established an all-party panel that I had the privilege of chairing along with the Member for Calgary-Shaw as co-chair and the members for Calgary-Fish Creek, Peace River, Calgary-Buffalo, Edmonton-Manning, and Edmonton-Glenora. We were charged with going out and hearing

what Albertans had to say about freedom of information and protection of privacy. The committee went to some nine locations and held some 15 public hearings along with a whole host of written submissions. I must compliment the committee on the way we were able to work together and come up with a unanimous report. The recommendations from the report, I'm happy to tell the Legislature tonight, found their way into the Act for the most part. A few mechanical things are not included, but certainly they can be discussed and will be discussed. I'm sure all members will see that in fact all the issues are covered in one way or the other.

9:50

Mr. Speaker, the information the government has on individuals that they've collected in various forms that they've used, that the government has used taxpayers' dollars to acquire, is the property of the people of this province. As such, with few exceptions, perhaps in areas like third-party interests where you're talking about trade secrets or commercial information or information given in confidence, information harmful to a third party, information obtained, for example, from tax reforms, that sort of thing – yes, that would have to be kept confidential and is exempt from public disclosure. If the third party is notified and in fact gives consent that it can be disclosed, then it possibly can. For the most part, information gathered by the government using taxpayers' dollars is the property of the people of the province, and therefore it should be available to them.

[Mr. Kowalski was seated at another member's desk]

**Speaker's Ruling
Decorum**

MR. DEPUTY SPEAKER: Hon. member, it is no longer committee. We're in Assembly. [interjections] Order.
Rocky Mountain House.

MR. LUND: Thank you, Mr. Speaker. [interjections]

MR. DEPUTY SPEAKER: Order. I think the matter shows that even those who have served long can prove themselves fallible even a little bit.

Deputy Premier.

MR. KOWALSKI: Mr. Speaker, on the point of order, I would apologize to the House for that terrible indiscretion.

MR. DEPUTY SPEAKER: Rocky Mountain House, we hope that you will be able to continue uninterrupted.

Debate Continued

MR. LUND: Thank you, Mr. Speaker. As I was saying, one of the things the committee quickly discovered was that people were very concerned that information the government or a public body may have on their personal file in fact is very sacred. The people want the government to respect that. Therefore, there is a lot of emphasis in the Act on the protection of privacy. I'll get into that a little further a little later.

Mr. Speaker, Bill 18 gives access to records regardless of the form they're in. Of course in today's world there are many ways a record can be kept. This allows for access to those records regardless of how they're kept. The Act also puts a procedure in place that is very explicit as to how information can be gathered.

It also talks about the dissemination of that information: who can apply for it, how they apply, how that application is handled, and the time frames for the head of a public body to provide that

information to an individual. The role of the head of a public body is laid out very clearly in the Act. The Act clearly states how the head of that public body shall release information and under what circumstances that information can be released. The Act also has a public interest override, which is a very important feature. What that really means is if there's something in the public interest as far as health or safety is concerned, the head of a public body must, under most circumstances, release that information.

As I said earlier, the protection of privacy is paramount, and the Act sets out guidelines for the personal information on an individual, how it can be collected and under what circumstances. It also talks a great deal about how an individual can have access to information held by the government on themselves, and if the information is found to be incorrect, how it will be corrected and the consequences, some of the other things that have to happen if in fact an individual finds that the government has incorrect information on them. As I said earlier, there's a lot of emphasis in the Act about releasing this personal information: who it can be released to, for what reasons. It has to be for very good reasons. We have to know before the information is released how that information is going to be used.

We attempted to meet the concern of the archivists and the historians. Certainly there was a lot of concern that the Act may cause a problem for those folks as they're doing their work. The Act allows for private information to be released for research purposes and of course for health purposes that are somewhat different than the normal release of the information.

The Act sets out the office of the commissioner, and this office will be an office of the Leg. Assembly. Therefore, of course, it will be handled through the Legislative Offices Committee and will be appointed by this committee, which is part of the Legislature. The commissioner's office, under Bill 18, does have authority. It can give orders. It can also give advice and where necessary can set up a dispute mechanism, act as a mediator. We're hoping, in fact, that when there is a dispute and something comes to the commissioner, it will be dealt with through mediation and consultation as opposed to going through a formal hearing process.

Bill 18 clearly lays out how the commissioner would be engaged in a discussion if an individual is concerned with the decision of a head of a public body – how the commissioner then would handle that detail.

10:00

We also have gone into much detail on how the commissioner would be replaced, the way that the commissioner could possibly be combined into another office. There was some concern that it should be a stand-alone office forever. It may be, but the Act would allow for a combination if in fact that turned out to be what the three-year review would indicate.

The Act also requires that there be a directory set up that would be available in all of the libraries in the province, and this is an attempt to make access available so that the public can easily access the records. The directory would show what is available and in what department so that the public could easily find that access.

Bill 18 also talks about fees and how if an individual were to ask for information on themselves that the government might have, there would not be a charge, except for the photocopying to receive that information. Now, by regulation there will be a fee schedule, and certainly it only makes sense that if in fact there's a party asking for information that in fact they will gain by, then it's not reasonable that the taxpayer should have to foot the bill for providing that information.

There's a unique feature in Bill 18, and that is that at the three-year interval there will be a special committee of the Legislative Assembly set up that will look at the Act, come back to the Legislature, and if they see that there are some problems or some recommendations, they will have the opportunity to open up the Act and make improvements to it.

Mr. Speaker, as the panel was out and about the province, our attempt was to come forward with a Bill that was equal to or better than any other Bill in the country. I think we've achieved that. There are many features in this Bill that you won't find, for example, in the B.C. Bill. The B.C. Bill has been held up as somewhat of a model. As I said earlier, the committee had a unanimous report, and I'm really pleased how this information in the report and the recommendations from the report found their way into Bill 18.

So with that, Mr. Speaker, I would move second reading of Bill 18.

MR. DEPUTY SPEAKER: Okay.

The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you, Mr. Speaker. I'm delighted to rise with respect to Bill 18. I've got much I want to say about it, but I think I want to start off by saying that it's a long road that's brought us to this point. This isn't a really innovative piece of legislation in this jurisdiction or at least in this country.

When the Liberal Bill 201 was introduced last fall, that had been the fifth year in a row that that particular piece of legislation had been introduced. I think we've seen certainly a major commitment on the part of this caucus in the '89 and 1993 general election campaigns to a strong and effective freedom of information law. This caucus had opposed Bill 61 that was introduced last spring and then Bill 1 that was introduced in September of 1993 because members of this caucus felt that those efforts represented more secrecy rather than openness and disclosure. I just mention as well, Mr. Speaker, that our caucus had made a public submission in August – it was revised September 8, 1993 – that identified some 27 changes that were required in Bill 61, Bill 1.

[Mr. Speaker in the Chair]

On August 31, 1993, of course the Premier announced the creation of his all-party panel, and I want to tell you that I'm very proud to have been one of the seven members of that panel. I want to tell you, Mr. Speaker, and through you all members of the Assembly that every member on that panel worked exceedingly hard. I think every member took very seriously the responsibility we had to listen to Albertans, to find out what they wanted in a freedom of information law. I'm proud of the fact that the members for Calgary-Fish Creek, Rocky Mountain House, Calgary-Shaw, Peace River, and my colleagues from Edmonton-Manning and Edmonton-Glenora were consistent in a commitment if not from the very first meeting then certainly at least the second meeting of the all-party panel to put together the very best and strongest recommendations we could. In fact, that's what was produced and published in December of 1993. I'm delighted to say that the panel report incorporated every one of the 27 deficiencies that this caucus had identified in August of 1993.

Mr. Speaker, when we talk about freedom of information, we also have to talk about the right to vote. We received a very interesting submission I think when we were holding a public hearing in Calgary. The submission was that really the right to vote is an empty thing if taxpayers and voters can't get information on the business of government. In fact, it was argued that it

would be the sort of thing that couldn't survive a Charter challenge if in fact this business was raised and tested in the courts.

The Freedom of Information and Privacy Association in its presentation to the panels started from the position, I quote:

The government is merely the agent of the people and that therefore information held by government is the public's information and should be available to the public unless there is some good and sufficient reason for preventing its disclosure, which reason should be subject to independent review.

I was much impressed with the presentation that we heard from the Marigold library system. They made the assertion, and I quote, that "information and knowledge are the foundation of power." They went on to say that the purpose of a freedom of information Act must be to enable Albertans to access a wide range of government information without long delays or high costs.

The report itself was a compromise, Mr. Speaker. It was a huge achievement in my respectful view that the panel report was unanimous. When compromises were made, it was my observation that in every case where some compromise was reflected in the Bill, at least we managed to match the standards set by the British Columbia Act, which, as the Member for Rocky Mountain House has pointed out quite correctly, is currently in this country the strongest and the most effective freedom of information law.

Mr. Speaker, there are some limitations with respect to the Bill, and I want to highlight some of those things, some things that aren't even addressed in the Bill. The first one is that the Bill itself ought to be seen by all members and all Albertans as a fallback. It's a measure of protection. Really what we want to see in Alberta and what I think Albertans want is a system of government where the first reaction should be to share the information, not withhold the information. We're talking about changing attitudes of counter clerks and people that are frontline service providers, to the extent that in the privatization mode there are still some frontline service providers on the payroll of the provincial government. It's a mistake to say that we invest the entire right of access people have to information in the statute. If the statute's really successful, then it'll be used less often and people would be able to get that information in a very accessible fashion at minimal or no cost to them.

10:10

The other thing that we should recognize is that Bill 18 doesn't deal with the huge volume of information and data that's maintained in the private sector. It's of interest to me, Mr. Speaker, that back in about 1970 a select special committee of this Chamber undertook a review of the whole area of privacy protection. Here we have in 1970 a recommendation that there ought to be some legislation to monitor the collection of data on individuals, the sharing of that data by large financial institutions, by employers, and by large organizations throughout the province. Nothing has really been done in that respect, and I think it's important that Albertans recognize that Bill 18 doesn't address that. We've focused only on the government sector, and I just think it's important that at some point we address information held about individuals in the larger sector, in the commercial sector.

The other thing that's not addressed in the Bill, of course, is the question of budget. I'm simply hopeful that the government will commit the kind of resources that are required to ensure that this Bill, when it's passed, hopefully in amended form, becomes a powerful instrument to give Albertans the kind of access that they want.

Now, Mr. Speaker, there are a great number of positive features of the Bill. Very many of them have been reviewed by

the Member for Rocky Mountain House, and I agree that those features are indeed positive.

I want to spend a moment and outline some shortcomings in the Bill, because I took very seriously, as I know the Member for Calgary-Shaw did – and I see him looking intently as we speak now. The Member for Calgary-Shaw also, I think, heard the expectation of people that came and made presentations to us that they wanted a powerful Bill. They wanted a Bill that was going to work. In fact, I'm very much impressed with a quotation that I just share with members now, and it is this.

Vague and imprecise language in the Act allows the government to manipulate the conditions, to determine information they want to suppress as privileged and confidential almost at will.

Now, those words didn't come from an opposition member. Those are observations made by the hon. Member for Calgary-Bow on September 2, 1993, when she was criticizing the Ontario legislation and speaking in fact against Bill 201. I think her comments are as applicable now as they were when she made them on September 2, 1993, and I hope her colleagues share that same view.

Animated by that same concern expressed by the Member for Calgary-Bow and in that exact same spirit, I'm going to be proposing some amendments, not to frustrate the intent of the Bill but in fact to close the gap to ensure that at the end of the day Bill 18 reflects the specific unanimous recommendations from the all-party panel. I recognize, Mr. Speaker, that Bill 18 was prepared in a relatively short time period. I expect that the Legislative Counsel had minimal time to put the recommendations of the panel into the appropriate language. I acknowledge that the panel recommendations were only that. They were recommendations as to principles, not the text of a Bill. That's why I'm hopeful that when I highlight or outline some of the concerns I have with the Bill, we'll be able to work on those. I'm anxious to work with my colleagues from Rocky Mountain House and Calgary-Shaw and the other members on the panel to fine-tune the Bill and ensure it'll deliver what I think Albertans want to see.

Now, with respect to some of the things that give me concern, one in fact is to some extent outside the Bill itself, and I want to flag it now. Alberta has, in my view and the view of people in the business of information management, one of the weakest information management systems, and the effect of it is that in this province each department has its own procedures and policies for document management. You know, actually what we're talking about here is a cost saving. Freedom of information provides us with an opportunity to clean up our records system in this province and develop a system that from the time a file is opened or data is first created, until the time it's destroyed at the end of its life, there's some continuity, there's some comprehensive plan in terms of what happens to this material. Now, the Bill itself doesn't address those needs other than it does appoint a stand-alone commissioner, and that's essential, because my hope will be that that stand-alone commissioner will be able to provide leadership in this province and within the provincial government to ensure that we just do a better job in terms of document management.

Let me turn to some of the specific concerns I've got. Section 1(p) defines a public body in such a way that it does not include, it exempts, the office of a member of Executive Council. Now, this was a subject of a question in question period, and I listened with great interest to the response I received to my question from the hon. Minister of Justice. I'm delighted to hear him say, as I understand it, that all of the records of a minister of this government, no matter whether they're in this building or in their departmental offices in some other site, will be subject to the Act, subject to the regular exceptions, and so on. I take it that that's

what the minister wishes the Bill to say, and I expect that in that case he will support an amendment that I intend to introduce which will make it much clearer, because now if one looks at section 1(p), it expressly carves out the offices of members of Executive Council. So now that we know what the minister's intention is, I'm sure that we can move with alacrity to provide a much clearer definition and ensure that all of those records will be accessible.

I have a difficulty with the fact that we refer to non arm's-length transactions – this is in the definition section of the Bill – between the province of Alberta Treasury Branches, the government, and third parties. Now, that's the exact wording the panel used, but the panel wasn't drafting the legal text for the Bill. I assume here that counsel for the government were in a hurry to draft this, but this has to be made much clearer. This I think in the view of not just the Alberta association of taxpayers but all Albertans is of key importance. One of the things, members, Mr. Speaker, we've heard on the panel is that when you are dealing with freedom of information, nuances, a word or two here or there can make all of the difference between genuine openness and secrecy. That's why when I raise these things, it's not to be nitpicking, but it's simply because if we want this legislation to work, if we want it to live up to the billing of the strongest legislation in Canada, we've got to do some improvement in terms of the drafting in Bill 18.

Another concern is in terms of the definition of record. The all-party panel in fact rejected the definition of record that was in the old Bill 61, Bill 1, and opted for a more comprehensive definition. There is a concern about avoiding conflict between data and information and so on. As best I can tell, that recommendation from the panel hasn't been heeded.

I just want to say parenthetically here that, you know, Mr. Speaker, if we can make the necessary changes to Bill 18 to ensure that it corresponds precisely with the recommendations of the all-party panel, not only will I enthusiastically support it at each stage, but I'm going to work as hard as I can to encourage every member in my caucus to support it with the same kind of enthusiasm. So that's the target I've got, and in each one of these amendments I suggest it's simply a question of trying to bring the thing in line with what the all-party panel recommended.

10:20

A further concern is paramountcy. Section 3(a) in the Bill is clearly in conflict with the recommendation of the all-party panel chaired by the Member for Rocky Mountain House at page 11 of the report. It was key to our all-party panel that in cases of conflict – and in fact I want to give specific credit to the Member for Calgary-Shaw; I remember him specifically raising this point in our committee panel deliberations – in any event where there is conflict between freedom of information and some other legislation, the freedom of information Bill should prevail unless the other legislation provided for greater disclosure. That's the same provision that's used in British Columbia. It seems to me that that's the standard we want to achieve here. In cases of conflict we want this to prevail. We don't want some lesser standard to be there simply because it's there already.

There's the potential right now that some anonymous bureaucrat can design a regulation which in effect overrules Bill 18. Now, I don't think that that's a situation that members in this Assembly would want to countenance. It's certainly not a situation that I think the taxpayers and the citizens of this province are prepared to accept. I just suggest that all members heed in this case the sound advice of the Member for Calgary-Shaw, the example we have from the province of British Columbia and make that change.

Destruction of documents. I think that we have a good provision in the Bill, but as a result of section 3(e) what we know is that the current destruction of documents practices in this province are going to continue. They're not good enough, and all members on the panel I think have heard my views on that. When we get to the amendment stage, I'll be happy to discuss that.

Fees. We've made some important changes, and the government has carried forward in Bill 18 some very important limitations on fees to ensure that that doesn't become an impediment to access, but there's still an enormous amount of discretion that's being left to regulators. I have to say that here in this province, because we have a moribund Standing Committee on Law and Regulations, there is no opportunity for members of this Legislature to be able to review regulations. You know, in the federal legislation – and, Mr. Speaker, you'll know this better than anyone – it's not uncommon that they actually publish regulations in draft form, circulate the regulations, allow input and comment from interested groups, and then actually give legal force to the regulations. Why wouldn't we do that practice in this province? In other areas we've seen that there's concern in terms of what the regulations are going to say. I think that's a practice we should follow, and maybe this is the Bill where we want a commitment from the government that they would use this as a model.

Thank you very much, Mr. Speaker.

MR. SPEAKER: The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Mr. Speaker. It's a pleasure for me to rise this evening and discuss Bill 18. First of all, I would like to preface my comments by congratulating the all-party committee that was involved in the public hearings on this Bill. I had the pleasure of attending the meetings in Medicine Hat. I must be honest. There wasn't a good deal of public interest in the meetings in Medicine Hat, but those that attended found the committee to be very helpful and good listeners, and they certainly felt that they had had an opportunity to voice their opinions regarding this Bill. I think that perhaps the fact that not a lot of people attended the public hearing – and I don't think it was confined to Medicine Hat. I think a number of the hearings show that this is not really a top priority of Albertans. However, I don't think that takes away from the importance of this Bill.

I think that we as legislators must be sure that we are in a position where we are open, we are accountable. Quite frankly, Mr. Speaker, I think that is really the sign of the new way that this government is operating. We've seen introduction of three-year business plans, never before involved in this provincial Legislature, in fact never before involved in Canadian Legislatures. We have seen the introduction of quarterly financial statements: again, accountability, visibility to Albertans. This is a government that is open and is accountable. I think that quite frankly this legislation is something that we need in Alberta to ensure that Albertans realize that this government is doing business in a new way.

I again congratulate the committee on coming to a consensus. I don't think it should go unnoticed that this was an all-party committee. This was an all-party committee that worked very well together. I mentioned that they were in Medicine Hat. I had the pleasure of hosting the committee after their meetings, and I found this to be a very good committee, very compatible, working very, very hard to ensure that Albertans get the legislation that they deserve.

Mr. Speaker, I would like to at this point say that I support this Bill. I look forward to further debate. I look forward to possible amendments at the committee stage, although I think that the Bill does a very good job of reflecting the views of the all-party

committee. In comparing the Bill to the report from the committee, I find that the Bill does indeed reflect the report of that committee.

With that, Mr. Speaker, I would like to take my seat and ask anyone else who wishes to contribute to this debate.

MR. SPEAKER: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thanks, Mr. Speaker. I appreciate the opportunity to rise so early in the debate on Bill 18, the long-awaited attempt of this government to bring freedom of information law to the province. It's about time.

I'm certainly pleased to have had the opportunity to be a member of the all-party panel. That panel which has been referred to met in nine different centres around this province, held 15 sessions in those nine centres. In the months of September and October last year we heard some 60 briefs and submissions at those sessions, and we also received input from numerous other interested and concerned Albertans.

Aside from the information that we received on the panel, I think it's very important for all members of the Assembly to recognize that there wasn't just the one channel of public consultation or even the second channel of the invitation to submit written briefs. There was also a third channel of input, as we understand it, Mr. Speaker, and the Minister of Justice was co-operative to a point in sharing with us information that he received directly outside of the all-party panel and other ministers as well who we know had sent out requests for feedback on what was then Bill 61. So certainly there were literally hundreds of Albertans who had their voices heard in a very direct way and hundreds more who had their voices heard because they were members of the several organizations who presented briefs to the panel or who came and made oral submissions or who in fact took advantage of this third channel.

Now, that experience impressed upon me just how important this issue of freedom of information and protection of privacy is to all Albertans. Albertans, of course, are very concerned about their privacy. They want to make sure that the information that their government collects on them is protected, is only shared with due regard to their privacy and confidentiality, and that there are suitable regulations to protect their private interests. But even more so, I was impressed with just how concerned Albertans were with openness and accountability in government. They want to know about decisions made by their government. They want to know about how money is spent. They want to know about the decisions and what lies behind the decisions about where hospitals are built, where postsecondary institutions are built, and now, Mr. Speaker, of course they're concerned to know about how the decisions will be made on where hospitals will be closed.

MR. SPEAKER: The hon. Minister of Municipal Affairs rising on a point of order.

Point of Order Questioning a Member

DR. WEST: I just wonder if the hon. member will entertain a question in debate.

MR. SAPERS: Certainly not, Mr. Speaker. He can talk to me later.

10:30

MR. DAY: They never do.

MR. SPEAKER: Order.

Debate Continued

MR. SAPERS: Albertans certainly want to be assured that their government isn't hiding anything from them. They recognize that government information is really public property. To underline that point, what I'd like to do is just read a brief quote from the submission to the access to information and protection of privacy panel that was made by the Alberta Human Rights and Civil Liberties Association. On page 2 of their submission, they say: the Alberta Human Rights and Civil Liberties Association believes that the government is a public body; thus all government information is the property of the public. We can't ever forget that very basic fact. Every record that the government has is not private information, Mr. Speaker. It's public information that the government is the steward of for a short period of time.

Now, I'm certainly in favour of the principle behind Bill 18. There can be no doubt about that. There can also be no doubt about the fact that the Liberal caucus is in favour of the principle behind Bill 18. On five previous occasions the Liberal Opposition introduced freedom of information Bills. These Bills were all voted down by the Conservative government. We finally have an opportunity to do something right in regard to access to information and protection of privacy, and this Bill is not a bad starting point. This Bill does in fact reflect many of the recommendations of the all-party panel.

I had it expressed to me, Mr. Speaker: "Well, maybe this Bill isn't perfect. Maybe this Bill doesn't reflect all the recommendations of the panel, but certainly this Bill is better than nothing." Because, of course, nothing is what we have now. But you know, Mr. Speaker, that's not good enough. This Bill isn't better than nothing. Why are those the choices, this Bill or nothing? What we need and what Albertans deserve is the best freedom of information law that this government can give them.

I'd like to comment a little bit on some of the concerns that I hope will be addressed as the debate unfolds and as we take this Bill through the various stages of debate. The very first one is that absent from the Bill is a time line for implementation. The Bill will be implemented once it's proclaimed, but we really can't take a lot of confidence from that. We've seen other pieces of legislation that have passed third reading and then not been proclaimed for years. That's simply not good enough. Albertans have been waiting too long already for a decent freedom of information law. In particular I'm concerned about the lack of a time line for implementation when it comes to the role of the commissioner.

Now, the information commissioner, amongst other things, will have as one of his or her responsibilities protecting the integrity of the records of the Alberta government. Currently we have a committee that comes under the direction of Public Works, Supply and Services, which oversees the retention and destruction of documents. But nobody has any real confidence that that committee operates in an unfettered way, that that committee operates without at least the risk or the potential for ministerial interference. So to ensure that the commissioner is not tainted by this same doubt and that documents somehow don't go missing, don't become unattainable in that interim period between when this Bill is passed and when it's proclaimed, certainly all the sections that have to do with the powers of the commissioner and the role of the commissioner must be proclaimed immediately so that the commissioner can assume his or her responsibilities of protecting the integrity of the records of the government of Alberta on day one to make sure that no records are inadvertently misplaced, destroyed, shredded, or otherwise go astray. Now, the committee, which my colleague from Calgary-*Buffalo* already

alluded to, is considered to administer one of the weakest document regimes in the country. It is inadequate in terms of storage, in terms of cataloguing, in terms of archiving, and in terms of destruction, and that's got to change. Without a proper time line for proclamation and implementation what confidence can Albertans have in the true intent of the government to do something meaningful about freedom of information?

I know this is just talking in principle, but I do want to mention one section of the Act which concerns me so that all members of the Assembly can turn their attention to it for the ensuing debate. Section 3(e) would retain the current destruction of document regime. This isn't good enough, and it will be the subject of an amendment from this caucus.

Mr. Speaker, there are some other sections that I would like to bring to the Assembly's attention at this point as well. Section 17, which talks about exceptions to disclosure is an attempt to respond to a criticism by the all-party panel of the former Bill 61 or Bill 1 by bringing into the Bill an objective standard. However, the reference to an expert doesn't really resolve this concern because that term expert isn't defined; it's not qualified. The drafters of the legislation took the general spirit of the concern of the panel, but they didn't really draft it in a way that we can take comfort that they really understood and have operationalized what that concern was all about. So certainly we'll be looking at section 17 in some detail.

Now, some of the exceptions to disclosure also trouble me. There's a section in the Act - I believe it's section 20 - which purports to treat relations between the provincial government and local government bodies in the same way it does relations with the federal government or a foreign state. Most other provinces do not contain such a provision, Mr. Speaker. Most other provinces which have reasonable freedom of information laws don't contain such a provision. I'm looking forward to a full debate on this exception, which pertains to local government relations.

I also note that Treasury Board confidences have been treated in exactly the same way as cabinet confidences. Mr. Speaker, I can tell you that I've had an opportunity since the Bill was given first reading to look at the wording in the Bill and to look at the wording in the all-party report and to review my notes and the notes of the panel. I can tell you that our intent was to make sure that cabinet confidences were defined in the most narrow way possible. We wanted to make sure that legitimate cabinet confidences were protected or exempted from disclosure. But that Treasury Board is not cabinet, and sometimes that membership on Treasury Board is in flux. Sometimes it's different groups of people, and that group that comprises Treasury Board should not have the same protection and the same exemption. That Treasury Board is a different body. It's a different entity, and well if there's an overlap between cabinet and Treasury Board, they should be treated the same, but where they are distinct, Treasury Board records should not be treated the same as cabinet confidences. I think that's a very important gap or error in the drafting of the Bill, and again I look forward to a debate on that point in some detail.

One of the other things that really concerns me is the whole notion of the appeal from a commissioner. Now, the panel recommended that there should be no general power of appeal. We've had a brief debate on this as a result of a question asked earlier this week in question period, but I'm not sure that the point was really well understood. As I was saying, the panel recommended that there should be no general power of appeal, that there should only be a limited power of judicial review if it was the feeling that the commissioner somehow exceeded his or her jurisdiction. That was a very clear, very plainly stated

recommendation from the panel. Now, contrary to that we see a section in Bill 18 which creates a right of appeal to a Queen's Bench judge.

This is a problem, Mr. Speaker, because we've seen before that when the government chooses to, they can institute some kind of a legal action which then doesn't really allow us to fully debate things in the Legislature, doesn't allow people access to information, and in fact stalls things. We've all seen, we all know of examples where the courts have been used as a stall tactic, and we're very concerned that by ignoring the recommendation of the all-party panel and in fact inserting a right of appeal to Queen's Bench, perhaps this is what is behind it, that somebody thought, "Hey, this would be a way for us to use the courts to stall or delay a legitimate request for information and disclosure." So we're concerned about that, and again I anticipate quite a detailed debate on that point.

10:40

Mr. Speaker, Bill 18 is important to certainly every member of this Legislature, it's important to every member of my constituency, and it's important to everybody who has ever paid taxes in this province. I would just like to conclude my remarks by again referring briefly to the submission of the Alberta Human Rights and Civil Liberties Association, where in their very articulate brief they talk about the paramountcy of public interest. What they say is, and again I'll quote:

Before any exceptions to disclosure are considered, we urge our legislators to ensure that the public's interest will be held paramount.

To address this concern and basic principle, we recommend that wording be added to Bill 1 stating that "Whether or not a request for access to information is made, the head of a public body must, without delay, disclose to anyone who could be affected, any risk which could be harmful to individuals, property, and/or the environment."

They go on to say in regard to the Treasury Board:

Access to Executive Council and Treasury Board records should be mandatory, at the very least [should be made available] after a period of five (5) years."

So, Mr. Speaker, these are some of the initial reactions that I have to the Bill. I look forward, as I've been saying, to the continued debate, and with that I'll conclude.

MR. SPEAKER: The hon. Member for Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Speaker. I've enjoyed sitting listening to some of this discussion as we bring this debate into the beginnings of the wee small hours of the morning, it seems. People talked tonight about the history, the long history of waiting for this particular piece of legislation and the sense of deficiency our province has been in for not having one on the table a long time ago. I guess for me, of course, being new to the Legislature, the only history I know is the commitment of the Premier and this particular piece of legislation that followed from a very interesting process of consultation with colleagues, as expressed a little earlier.

What I also find of interest is that in this same period of time when we have been out collecting some information from the community about their concerns, we have begun to see in this Legislature the tabling of a number of reports, documents, contracts, et cetera, that actually reflect the ongoing business of this House. From my own personal opinion it's a much more appropriate way to deal with the issue of information.

I have a concern about the privacy aspect that we have put on the table in this legislation, not from a willingness or a concern of concealing things, but I am not yet so certain about the motives of those who are requesting information. It's very well and good to

be very critical of government, as people should be, about always acting within their best interests. But I have a bit of a concern following on the less than overwhelming attendance at some of the hearings and the less than strong concerns, from a population point of view, in the community at large as the task force went around the province. So I wonder: what are the motives behind having access to information?

I will tell you that in part of the seniors consultations that we've been involved in, a number of seniors have asked some very specific questions about this government in the past and about how this happened and where did the money go and what does the heritage savings trust fund do and how do we get access to lottery funds. So I get a very strong sense that whereas maybe the seniors didn't feel comfortable attending these particular discussions, they are very interested in finding out about the ongoing business of government. When they ask these questions, the questions they're asking are not, I would say, out of interest in discrediting government but a real, genuine wishing to know of what issues have been decided on their behalf and how can they reassure themselves that the decisions that are in their best interests continue to be made.

So when I hear seniors ask questions about the heritage savings trust fund, for example, I get the sense that there is a real need to have appropriate mechanisms to disclose information. I am confident that this legislation as drafted is going to be able to provide them with serious information, information they can use to build confidence in their government together with the fact that we are already now tabling a lot of the issues that have been addressed as lacking in our public disclosure. It's important for me to speak on their behalf on this issue.

I find it interesting as well that we are broadening the sense of what is the public domain. I think that maybe in the past when this first concern was developed, the public domain really resided within decisions of government and contracts and perhaps confidences of cabinet. But we are expanding quite strongly into the areas of our public institutions that are supported through taxpayers' dollars, even though they themselves are operated by boards that are independent of government. We are going to see, in my opinion, greater disclosure, because we are accessing the information of these other organizations, institutions, and boards, and a much more complete, accurate picture of the financial interests of taxpayers, of obligations that are undertaken on behalf of these boards using taxpayers' dollars.

I find it interesting that at the same time this piece of legislation is coming forward, we are actually moving in a much broader sense in terms of how we operate than we have in the past. As I say, I don't know the history of this particular piece of legislation in other jurisdictions, of having had the freedom of information legislation within their own jurisdictions, but I'm curious to know whether that same openness and inclusion in other areas of public funding and public decision-making is also going on as a parallel process.

I would like to speak for a few minutes about some of the concerns that were raised at the discussions that were held in the public forums in Calgary, concerns that came back to me about the role of special interest groups. You know, it's a concern because we have to find a way to get specific information to the public so that we don't draft legislation that is simply a reaction to a group of people who have a very valid concern but whose concern may have a narrow focus.

I continue to be amazed at the lack of information, which is generally public knowledge, that is out there within the public at large. I don't know that that's a weakness in our parliamentary system. I certainly don't believe it's a weakness on behalf of the

efforts of the Members of the Legislative Assembly. I suspect to a certain extent that it's just an absolute overwhelming amount of information and finding a way to disseminate that in a meaningful way so that our constituents have a sense of what kinds of decisions are made, what kinds of dollars are spent, and more specifically how those decisions are going to impact their lives. I would suggest from discussions with my own constituents and people who've expressed an interest in this that there is a more specific and genuine interest in how their lives are being affected by the changes in legislation and by new directions in government than in the intricacies of specific contracts that may have been developed.

10:50

In conclusion, I would suggest that as we watch this Bill unfold, not only through the debate but as it takes its own shape and form with the office of the commissioner that has been proposed and as the community comes to recognize the opportunity to access information and how it is then utilized, I'm hoping it's in a positive way. I'm hoping that considering that this government has already taken a very strong turn to respond to the concerns of privacy that perhaps were inappropriate in the past, what information does come forward will tell us how better we can explain to the public what we're doing in the future rather than dwell on decisions that occurred in the past.

There's always a shift between generations, if you will. I would suggest that we struggle with confidence in public politicians because of the fact that there is a shift in respect for the offices that we hold, the commitment that we make, and the serious deliberation of issues in front of us from in the past when it was just assumed that people who sat in this particular Chamber had the best interest of the province at heart. I'm hoping that as we investigate decisions that have gone on in the past, we don't discredit people whose rationale and decisions were from perhaps a different era. Quite frankly, in 1994 this particular government is much more open, and we are working very hard to regain the confidence of the public.

So with that, Mr. Speaker, I will just continue listening to the discussion. I'm interested in this debate, as I said, because I have not sat here for the past five years waiting for it nor am I involved in other jurisdictions that have had it over the past 10 or 15 years. I hope that the best interests of the information in the eyes of the public is how this Act will be utilized and that we will be a better province and that we will be better at making decisions because of the information that is now available to the general public.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Edmonton-Manning.

MR. SEKULIC: Thank you, Mr. Speaker. It's truly a pleasure to rise and participate in the debate of Bill 18, the Freedom of Information and Protection of Privacy Act. I was one of the seven members who traveled the province and listened to the views of Albertans on this Bill. One of the most powerful statements I heard when I was on the road was that information is the currency of a democracy. That's something that carried me throughout, and it really made me think about why we're here. It is to make decisions, and it's to provide information to our constituents.

After listening to my colleague across the way from Calgary-Currie, I raise the question of reasons for information requests. I really don't think that should be a question that we as legislators should be asking, because that's similar to asking why a person signed out a specific library book. We can assume it's for

information. We can assume it's to learn. We can assume that it may be to criticize but not necessarily a negative criticism; it could be a positive criticism.

There was mention of the public turnout in some of the constituencies. The Member for Vermilion-Lloydminster was a witness to a turnout which wasn't that large. Maybe we as individual MLAs could have done more to bring Albertans out to provide their input into this important legislation. So I wouldn't so much blame it on Albertans and perhaps the lack of desire to bring about information legislation as I would on the way we solicited information. I think we could have done a much better job.

Now, information voids, in my opinion, generally breed rumour and fear, and this government claims that the public is operating in rumour and fear. Perhaps it's time to address that void and to provide timely and accurate information. Maybe we can dispel some of the rumours and some of the fears amongst the seniors and amongst those going to kindergarten and those other people that are affected by the legislation we are drafting here.

As one of the seven members of the Premier's all-party panel I participated in each of the 15 sessions held across nine different locations in Alberta. We have to be clear about the purpose of the panel. Quite simply, the panel was to hear what Albertans wanted in their legislation, which was intended to open government to the public and to ensure that the government they elect is accountable to them.

Accountability is difficult if not impossible to enforce without access to information. Whether praise or criticism is warranted, as I mentioned, neither is possible without access to information. As an opposition member I have numerous examples of being frustrated by this government's lack of openness and accountability. Most recently, though, in my concluding remarks on the debate of the Family and Social Services estimates, I stated that it is hard to determine what is an appropriate expenditure for 1994-95 when we don't know the outcomes of the 1993-94 expenditures. So clearly here's a need for information that not only I have but that my constituents have through me, because I am expected to vote on estimates for the upcoming year. Albertans must have access to outcome measures, to the consequences of government actions or inactions, as the case may be. Without this type of information, accountability remains simply an election promise.

Mr. Speaker, the all-party panel was not intended to draft the legislation; it was intended to hear Albertans and to ensure that their wishes were reflected in a series of recommendations. The committee fulfilled its defined mandate when it presented to the Premier and the Minister of Justice its report on public consultation. The report was unanimously endorsed by the all-party panel in December of '93 as accurately reflecting public input.

The drafting of the legislation, however, was left in the hands of the government, specifically the Department of Justice, and as would be expected there would be some difficulty and inconsistency in the translation of the broad series of recommendations into a draft of legislation. I hope that we in this Assembly can ensure that the translation is corrected to accurately reflect the all-party panel's report but more importantly to accurately reflect the views of the many Albertans that participated in the consultation process and the many more that called their MLAs wanting government to be more accountable and more open.

Mr. Speaker, the process of public consultation had its drawbacks. For the most part, I must say that I would give the process a passing grade, and I would hope that at the end of the debate on this government Bill I could give the final product, the

Freedom of Information and Protection of Privacy Act, a passing grade as well.

I feel that it is important to look at some of drawbacks of the process so that we can see and better understand potentially how the translation of the all-party panel's recommendations were not accurately reflected in Bill 18. There were three distinct streams of input into Bill 18, as my colleague from Edmonton-Glenora earlier mentioned. For the most part, the all-party panel had complete access to two of the streams. It is the third stream which may shed some light onto some of the translation concerns.

This stream of input, Mr. Speaker, was the information submitted directly to the ministers and their respective departments. I am concerned when the all-party panel was not privy to recommendations to which government had access, which in the end appear to have resulted in a subtle but significant shortcoming of the all-party panel's recommendations. In fact, I feel the omission of this information stream or channel is totally contradictory to the purpose of the legislation that it was intended to develop and strengthen.

Although this new Bill, Bill 18, reflects many of the concerns heard by the panel, the shortcomings need to be justified. After all, the recommendations are those of Albertans, not simply those of the all-party panel. Looking at the shortcomings of the Bill, Mr. Speaker, as it relates to the recommendations of the all-party panel, the issue of records management was discussed at some length by the panel. It was agreed that the Act shouldn't require the development of a new records management system but rather would require a modification of the existing system. The recommendations were directed at the prevention of records destruction during the implementation period. This recommendation is not clearly reflected anywhere in Bill 18. In fact, in section 3(e) it is clearly contrary to that particular recommendation. Section 3(e) reads, and this is under the Scope of this Act:

This Act . . . does not prohibit the transfer, storage or destruction of any record in accordance with any other enactment of Alberta or Canada or a by-law of a local government body.

11:00

The next shortcoming, Mr. Speaker, that I found in the legislation is in the Bill's relationship to other Acts. Section 5(1):

The head of a public body must refuse to disclose information to an applicant if the disclosure is prohibited or restricted by another enactment of Alberta.

This is quite contrary to the all-party panel's report, which recommended that freedom of information was to be the governing law in case of any conflict.

The third shortcoming that I found in this Bill, Mr. Speaker, was in Section 86, where the fees are discussed.

The head of a public body may require an applicant to pay to the public body fees for services as provided for in the regulations.

Here I would as a panel member need some assurance that fees won't be prohibitive and that those requiring information can have access to it.

It is clear, Mr. Speaker, that the weight or importance of different sections of the Bill will be different. Therefore, statements about what percentage of the panel's recommendations were accepted do not in any way provide an indication about whether the intended legislation has been drafted. It is like building 90 percent of a house in northern Alberta. If the 10 percent you leave out is the insulation, this is a fairly significant omission. Given the omission of 10 percent of the panel's recommendations by the Premier's own admission, we need to ensure that we aren't omitting the insulation for this project. We must ensure that we don't go from a government which operates in selective openness to a formal structure legislating the withhold-

ing of information. This is an important crossroads for openness and accountability. Each member of the Assembly should ensure that the all-party panel's report on public consultation is accepted in its complete form as stated and as it was intended.

I thank you. That concludes my remarks. I'll leave it for someone else.

MR. SPEAKER: The hon. Minister of Municipal Affairs.

DR. WEST: Thank you, Mr. Speaker. I, too, would like to comment on Bill 18, a motherhood Bill. When you talk about democracy and freedom of information, that's motherhood. Over the years democracy has functioned in some 400 years of the parliamentary system. The need for a Bill like this I guess has been put aside for the qualities of honesty, integrity and leadership, and listening and representing the constituents who send people to an Assembly like this. No Bill in the world is going to replace that. I do support this Bill if it brings some confidence back and some respect back for this House.

But I know one thing: this Bill here will only be a placebo to democracy if what I hear in posturing is the only respect given to it. When I saw the committees go around . . . [interjection] Somebody here is making light of what I'm just about to say, but I saw 15 meetings that drew 60 proposals. I saw meetings in cities of 55,000 people with one person there. The hon. member talked about a meeting where there were three submissions from a surrounding area that draws from 60,000 people. I do not hear my phone ringing off the hook for this Bill, but I heard the phone ring in the last election. It said we want honesty, we want integrity, we want you to listen to what we're doing on the street and go in and do it. We want fiscal responsibility. We want you to bring back the good old days when we elected people to go into that place where they represented us and didn't posture politically around some piece of legislation that was nice to hear but had little content to it.

When I look at other provinces that have freedom of information Bills – and I'm going to look seriously at them over the next couple of years and this province too – I want to see a better response than what I'm seeing now in other provinces. The major people that ask for information in provinces that have had this for a long time are business corporations seeking information on their competitors. The average individual citizen, except for a few self-interest groups, is not demanding and asking for a major amount of material from the governments. In Ontario, for example, one of the major subscribers to information from the government was a prisoner at one of their jails. It cost \$200,000 alone to send that individual the information, and they certainly had to look at the process, because if there are no checks and balances put into who is demanding it and a cost put on it, then of course the wrong people are accessing information for the wrong reasons.

Somebody said that you wouldn't check on people going to the library for books. No, I suppose when Jeffrey Dahmer was taken in, they didn't check to see how many books he took out on cannibalism.

AN HON. MEMBER: Or gourmet cooking.

DR. WEST: I see there's a sense of humour to that. But indeed information used for the right purpose is certainly credible, but it's no replacement again, as I said, for an honest, open government with leadership.

A few years ago a member of this Assembly who has passed away, the hon. Henry Kroeger – he was MLA for Chinook – took me aside and said: Steve, while you're in this elected position,

there are three rules that will never fail you. He said: listen, listen, and listen again. He said: then keep at the forefront of all your thoughts honesty and representation and the spending of public dollars for public interest.

What I hear in this Assembly is that the opposition dwells on this Bill as if it's a replacement for good government with honesty and integrity. It hasn't done so in those provinces that have had it for 15 years, because I can go back and show you jurisdictions that have had it that have been fraught with just as many problems as any other democratic jurisdiction. Why are they fraught with problems? Because they didn't listen, listen, and listen and they didn't represent their constituents with integrity and leadership.

Now, I can support this, and I will support it, but I did not see an outpouring of Albertans asking for this. When I went door to door, they asked for the principles that I have talked about here tonight. I can give them this Bill. I will keep a vigilant eye on all members of this Assembly and the process in future years, because this Bill will not protect the citizens of Alberta, Canada, or any other democracy.

11:10

AN HON. MEMBER: This is unbelievable.

DR. WEST: Somebody said it's unbelievable. Yes, it's unbelievable some of the comments that I've heard in here that have already been a misrepresentation of the facts. One of the hon. members went on about the number of Albertans that were demanding this Act. That is a beginning of misrepresentation, because they did not. When I went to the meetings – and meetings were held in Medicine Hat and Red Deer – there weren't five people that came out to these meetings. Where were the thousands and thousands of Albertans standing up in their democratic process demanding this Bill?

Mr. Speaker, I reiterate one more time: I support this if indeed it will give some comfort to the citizens of Alberta that there is progress being made in open, honest government. But, indeed, if I hear some of the rhetoric that I've heard here tonight . . .

Point of Order Questioning a Member

MR. SPEAKER: Order please. The hon. Member for Edmonton-Glenora is rising on a point of order.

MR. SAPERS: I wonder if the hon. minister would entertain a question during debate.

DR. WEST: Mr. Speaker, no, I won't. Sometimes I do take a question in debate, but it depends on the member who's going to ask it.

Debate Continued

DR. WEST: Now, Mr. Speaker, what I see in the future and what I see today is a response from the silent majority. The silent majority that I've talked to are not demanding this. They're demanding, as I said, the principles of an open government with honesty and integrity and leadership in its members. You listen and go in and get on with doing what we need in a society.

I'll be interested in hearing the rest of the debate, and I'll be interested in seeing how this evolves over the decade ahead. I will await with anticipation for that and remember tonight as I spoke to this and some of the emotions I got from other people in this Assembly.

I would like now to adjourn debate on Bill 18.

MR. SPEAKER: The hon. Minister of Municipal Affairs has moved that debate be adjourned on Bill 18. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Carried.

Bill 19 School Amendment Act, 1994

MR. JONSON: Mr. Speaker, I move second reading of Bill 19, the School Amendment Act, 1994.

Mr. Speaker, following the Premier's announcement on January 17, 1994, I announced plans for a major restructuring of the education system. It was a restructuring designed to focus resources on students in the classroom, to ensure more decision-making at the school level, to lower administrative costs, and to put into place a fair system of funding education. The three-year business plan, which I tabled in the Assembly on February 24, sets the goals and directions for the restructuring of education. Bill 19 and its regulations provide the legislative framework and implementation strategies to meet these goals.

Before outlining the main principles of the Bill, I would like to make a few comments on the structure of the Bill and the consultation process related to it. One of the key elements of Bill 19 is the establishment of a fair system of funding for education. The current system is inequitable both in terms of the tax burden borne by residential and nonresidential property owners across the province and with respect to the moneys individual school boards are able to spend to provide provincially mandated education. Local education mill rates vary from 3 mills to 18 mills with a resulting difference in expenditure per child ranging from \$4,010 to \$21,346.

The problem of inequity in funding, Mr. Speaker, has been the subject of provincewide consultation for over six years. A variety of solutions were proposed; none found consensus. Clearly, government had to make a decision. The decision was full provincial funding within the scheme which is included in Bill 19.

In addition, consultation began in the fall of 1992 with a series of discussions focusing on fiscal realities. These meetings were followed by eight regional meetings on education finance in the fall of 1993 and the education roundtables in October 1993. Mr. Speaker, over 28,000 copies of the education roundtable workbooks, *Meeting the Challenge*, were sent out to interested Albertans. I received more than 17,000 written submissions, letters, and petitions representing the views of over 31,000 individuals as groups or as individuals. These responses were considered prior to the drafting of the amendments to the School Act.

Mr. Speaker, during the public consultation process Albertans told us that changes in education and spending reductions must achieve efficiencies in the administration of the education system and minimize the effect on the student in the classroom. In addition, the provincial government felt that if the decision-making opportunities were available at the local level, this would ensure that students receive the best possible education within the resources available. As well, on March 30, 1994, I announced the establishment of five MLA teams to assist in the development of regulations and policies under Bill 19. The five teams will

work with multi stakeholder consultation groups and Alberta Education officials to help develop more detailed implementation plans in relation to reducing the number of school boards, the role of superintendents of school boards and school councils, the education funding structure, education performance measures, and business involvement in education. As we move to implement the key directions of a restructuring plan for education and the provisions of Bill 19, it is essential that every action ensures that the needs of students will be met. We will need the involvement and advice of Albertans and the education community, and these teams will provide a vehicle for that process.

Now, Mr. Speaker, I would like to comment on the structure of Bill 19. While the Bill sets out a clear direction and establishes the framework of a restructured education system, it would be a fair comment to say that the Bill contains a number of new regulatory provisions. For example, the regulation-making powers with respect to the school councils, charter schools, and transportation are new. In some cases regulations will provide, for example, the form of the charter by which charter schools are created and the limit and the number to be initially established. These provisions are obviously more appropriately placed in regulation. In other cases regulations will contain the detailed implementation and formation strategies developed as an outcome of the consultation process which I outlined earlier.

Mr. Speaker, I'd like to comment on the principles of Bill 19 directly. The most significant changes in Bill 19 relate to the refinancing of education and the redistribution of resources among school jurisdictions. They relate to the improvement of student access. They relate to the increase in local decision-making through school-based management and charter schools.

As well, the Bill addresses some practical issues relating to the amalgamation and regionalization of school boards. The restructuring plan, as you will recall, Mr. Speaker, calls for a reduction in the number of school boards from 140 to 60.

An important principle of Bill 19 is that in designing a restructured system we have protected the rights of separate school districts contained in ordinances 29 and 30 of the North-West Territories Act. The announcements of January 17 and 18, 1994, caused concern among separate school supporters that separate school constitutional rights would be prejudiced by the restructuring plan. Some have even suggested that the new legislation might remove separate school rights. This, Mr. Speaker, is simply not correct. No provincial government can by legislation amend the Constitution of Canada. Separate school boards in Alberta have the rights guaranteed by section 17 of the Alberta Act of 1905, and I think it is worth quoting that Act in part. The Alberta Act of 1905 states:

Nothing in any such law shall prejudicially affect any right or privilege with respect to the separate schools . . . under chapters 29 and 30 of the Ordinances of the North-West Territories . . . or with respect to religious instruction in any public or separate school as provided for in the said ordinances.

The Alberta Act is part of the Constitution of Canada and appears in schedule 1 of the Constitution Act of 1982. The fact is, Mr. Speaker, the refinancing of education will beneficially affect separate school jurisdictions. However, to alleviate the concerns of separate school supporters, the Bill includes provisions in the preamble reflecting the separate schools' rights and the right to tax.

11:20

The current School Act with respect to funding sets out a scheme for funding education from two sources. The school foundation program, sometimes referred to as SFPP, represents

moneys raised by the province from local taxpayers. In real terms only nonresidential properties are subject to the SFPF levy, and money is appropriated by the Legislature from the general revenues of the province. Also, it is funded by requisitions on residential and nonresidential properties by school boards. In addition, the Department of Education provides for a system of grants to schools of moneys appropriated by the Legislature for specific purposes, such as early childhood services, private schools, transportation, and so forth.

Mr. Speaker, because the province funds an average 58 percent of the cost of education, with 42 percent covered by local revenues, there are huge disparities in wealth among Alberta's school districts. During the past six years a number of alternatives have been proposed to correct these inequities, and as I indicated earlier, to the date that we made a decision on this matter, none had found consensus. During that same period of time the disparities in wealth of school districts continued to grow, exacerbating the inequitable access to education programs and services to students.

Mr. Speaker, under the proposed restructuring the provincial government will assume responsibility for full funding of public education, thereby resolving the problem of inequity. It is a model of funding used by the majority of provinces in Canada. The new funding scheme involves changes to both the collection of revenues in support of education and the system of expenditures. The general requisition power of school boards is repealed. Instead, the province will phase in uniform mill rates for residential and farmland and a uniform mill rate for nonresidential properties throughout the province.

Mr. Speaker, to allow for a phase-in period, the Bill contains a transitional provision applicable for up to five years, during which the mill rates on all properties will be differentiated by the municipality. This will allow very low and very high mill rates to come up or down to the provincial average. It is important to note that 85 percent of the mill rates will stay the same or come down under full provincial funding.

Mr. Speaker, the Alberta school foundation fund is a new provision in this Act. The legislation creates a new fund called the ASFF, in which all moneys currently raised by school board requisition and the SFPF levy will be placed. Under law this will operate as a trust fund from which expenditures can be made only to public and separate school boards. To further allay concerns, the legislation establishes a watchdog committee comprised of the chairman of the provincial Audit Committee, one representative each from the Alberta School Boards Association, the Public School Boards' Association, and the Alberta Catholic School Trustees' Association, and a member of the general public. This committee will provide assurance to school boards that revenues from the trust fund will benefit only public and separate schools in the province.

Mr. Speaker, in addition to the revenues placed in the trust fund, moneys in support of education will be appropriated annually by the Legislature from the general revenues of the province and disbursed within the grant structure under the School Act and the Department of Education Act. School boards will receive payments out of the general revenues of the province and the ASFF under a new funding scheme or fiscal framework.

Mr. Speaker, although the general requisition power of school boards is repealed, the new legislation provides for limited power of a school board to requisition up to 3 percent of its annual operating budget for three years, provided that the electors in the district approve the additional requisition by plebiscite. The plebiscites will be held at the time of local authorities' general elections, and if successful – that is, approved by a majority of

those voting at the general election – the requisition may apply to one, two, or three years. Any requisition beyond three years must be approved by a further plebiscite at another general election. The purpose of this provision is to permit the taxpayers in any district to support certain projects or additional services which have the support of the local community.

Mr. Speaker, one of the obvious benefits of full provincial funding is that students will be entitled to attend school in their own school district or outside their district provided there is room in the school operated by the other board. Funding will follow the student. Tuition fees can no longer be charged by public or separate boards except for students who are resident outside of Alberta. In that case the tuition fee will cover the actual cost of the student's program. In the case of a separate district which does not participate in the ASFF, that district will be entitled to charge a tuition fee to the parents of any student resident outside of the district equal to its per student local requisition.

Mr. Speaker, the statutory provisions relating to "resident student" and its definition are retained because each resident school board is required to serve its resident students. It must admit students who are nonresident if it has room and the resources to serve the student. For the purpose of managing the demands on schools within its district, a board may establish an attendance area for each school, with priority of attendance for students resident within the attendance area. The residency of a student and the definition of "attendance" are also important with respect to a board fulfilling its obligations with respect to transportation. With respect to attendance at a school in a separate district, a separate board must admit its own resident students first and nonresident Roman Catholic students if it has room and resources, and it may admit other nonresidents. All students enrolled by a separate board will be eligible for full funding.

Mr. Speaker, there are a number of amendments and new provisions in Bill 19 relating to school boards, superintendents, school councils, and charter schools. The current provisions in the School Act related to the powers and responsibilities of school boards will not be substantially changed. Perhaps the most significant change is the removal of the general requisition power. Instead, school boards will be fully funded through the ASFF and general revenue fund for both operating and capital. The legislation ensures that school boards will continue to be responsible for the employment and termination of all staff, the transportation of students, the budgeting and accounting of all moneys from the province, the setting of fees, the construction and renovation of schools and other buildings, and, subject to the legislation and regulations, the establishment of policies, the hearing of appeals, the closure of schools, and the accountability for and communication of student achievement: a very important and significant list of duties, Mr. Speaker. School boards have an additional responsibility for the development of a three-year business plan and the discretion to grant charters to charter schools.

Mr. Speaker, the most widely discussed issue, the most widely raised issue in the restructuring plan centred on the provincial appointment of the superintendent. Originally it was proposed that the superintendent would be chosen through a joint process involving the board and representatives of the minister. A certain number of candidates would be certified as acceptable, the board would make the final selection, and the minister would employ him or her under a three-year renewable contract. The purpose of the provincial employment was to set up an alignment between the superintendent and the minister to ensure the implementation of the essential components of the restructuring plan in terms of educational leadership, accountability, and support of a results

based education system. It was also needed to depoliticize the superintendency.

Separate school supporters were concerned that a non-Catholic may be appointed as superintendent of a Roman Catholic separate school system, although this was responded to right at the very beginning, and it was always the intention to provide for a Catholic person who could provide for the ethical and spiritual leadership of a Catholic school system.

However, with respect to the superintendency, Mr. Speaker, in response to the many concerns expressed on this issue, the Bill reflects an alternative to provincial appointment of the superintendent. The legislation provides, first, that the selection and appointment of the superintendent will be by the school board. He or she will be employed by the board as chief executive officer and chief education officer. The appointment would be subject to the prior written approval of the minister. This is the same provision as existed before 1988.

11:30

Also, Mr. Speaker, the legislation sets out the role of the superintendent with respect to his or her provincial responsibilities: accountability for implementation of government policies, for student results, for fiscal management and education leadership. Where the superintendent fails to carry out his or her legislated role, the minister upon notice to the superintendent and school board may require the school board to replace that superintendent.

Section 17 of the current School Act requires the creation of school councils where parents request them, but they are powerless entities unless a board delegates duties or responsibilities to them. Mr. Speaker, our provincial survey shows that no school board has given any significant authority to school councils.

The restructuring plan envisages an enhanced role for the local school community in the belief that as much as possible decisions about how education dollars are spent and how education is delivered are best made by those closest to the students. Mr. Speaker, the legislation and regulations will provide for a school-based management model in which the principal, professional staff, parents, and community members assume considerably more authority in determining policies relating to the nature of the program offered at the school, the expenditure of moneys to meet educational requirements, the accountability for educational standards achieved by students enrolled in the school, and the accountability for moneys expended. No provision will be made for honoraria or expenses to be paid to members of a school council.

In this legislation it is proposed that there will be a reduction in the number of school boards from about 140 to 60. This will result in some school jurisdictions serving a larger geographic area and a substantially larger number of students. School-based management will allow parents and local community members meaningful participation in the education of children within their own community.

Mr. Speaker, the legislation also contains provisions with respect to charter schools incorporated in the regular school system. Essentially a charter school application must show how the program to be offered by the school will potentially improve the learning of students. To ensure a smooth transition and sufficient time for evaluation, a limited number of charter schools will be established under the new legislation.

As I indicated before, an important aspect of the restructuring plan is a reduction in the number of school boards in the province from 140 to 60. The current School Act has extensive provisions relating to the authority of the minister to amalgamate school districts and divisions and the ability of school boards to regional-

ize voluntarily, as provided for in Bill 8. However, Mr. Speaker, to ensure that the goal of 60 school boards can be reached in the most efficient way possible, amendments have been included with respect to both amalgamation and regionalization. With respect to amalgamation, the Bill adds a provision to allow for the minister to establish an interim amalgamated board from trustees representing the boards which are amalgamated.

If I might just conclude, there are a number of other amendments included in Bill 19 related to the dissemination of information, the board of reference, fees for Francophone students, student conduct, and maximum hours of teaching. In closing, the restructuring and refinancing provisions of Bill 19 provide opportunities for innovation and creative solutions to some long-standing issues in education.

Thank you, Mr. Speaker, and thank you to members of the Assembly for allowing me to finish up.

MR. SPEAKER: The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you very much, Mr. Speaker. It's a pleasure to speak at second reading of Bill 19, the School Amendment Act, 1994. There are some consistent themes that run through this Act, and they have many Albertans very concerned. Basically one of the major themes is a transfer of control of our education system from the local trustee elected level to the provincial government, both the Lieutenant Governor in Council and the Minister of Education. This is a theme that follows right through these amendments, and it's a regrettable theme. It's unfortunate that the provincial government, who frankly have been the author of most of the mistakes that have been made in education in the last few years in our province, now see fit to want to control more of our education system rather than leaving that control with local communities and local elected bodies, who for the record have been operating with balanced budgets and have been operating in a very responsible manner.

Firstly, Mr. Speaker, the legislation, as the minister indicated, removes the right of local school boards to requisition local tax bases as they do now. The minister has indicated that this is all in an effort to pool all these moneys, this big \$1.23 billion tax grab, and redistribute them in some sort of equitable formula. However, we don't know what that is yet. The department and the minister continually tell us: "We're working on that little detail, on how it is we're going to make education more equitable. We've got an idea, but we haven't quite figured out how we're going to do it."

The special school tax levy that has been included in the piece of legislation is quite laughable and is quite ineffective and will create a system, if we look at the system in British Columbia, that doesn't work and in fact does not provide opportunities for more funding to education in our province. We only need to look at that. It's very instructive for us to look at other jurisdictions to see what they have done and to see the impact of those kinds of changes.

I think it's very, very, very important to look at what has happened to the centralization of tax collection in our neighbouring province of British Columbia. What's happened in that jurisdiction over time, Mr. Speaker, is very clear. The burden for education funding from property taxes, from local taxes has shifted from the corporate and commercial sector to the residential sector. Why could this be? Well, one theory would suggest that major corporations would have much more success, with due respect to the Provincial Treasurer, in lobbying one person - that being the Provincial Treasurer, who has the ultimate authority to set the mill rate - than they would in being able to lobby several

school trustees, who are elected for the purpose of providing quality education for their communities.

The facts are there. The facts are very simple. I believe there's a big danger here that what we're going to see is more reliance on residential properties for the . . . [interjection] I'm sure we'll welcome the Minister of Municipal Affairs' chance for debate, but as I'm sure you'll agree, Mr. Speaker, it's my chance right now.

**Point of Order
Questioning a Member**

DR. WEST: Mr. Speaker, a point of order.

MR. SPEAKER: The hon. Minister of Municipal Affairs is rising on a point of order.

DR. WEST: Would the hon. member in good faith, because I have some questions on the specifics of what he's talking about, accept a question in this debate?

MR. HENRY: Mr. Speaker, in good faith, when that minister starts answering the questions from this side, I will start answering.

Debate Continued

MR. HENRY: Mr. Speaker, the danger is there, and we only have to look at the British Columbia example for that.

It's also very important for us to look at the situation with regard to separate school boards in our province. Most of them, the vast majority, are primarily Catholic school boards, although admittedly not all. Mr. Speaker, it's important for us to look at what rights of taxing their own ratepayers that separate school supporters have received from our province over the years. It started off with the 1901 North-West Territories Ordinance, as the minister has indicated, and that allowed separate school supporters to tax residential properties for educational purposes.

In addition to that, in 1942 and '52 separate districts were given the ability to give notice to companies to share taxes in proportion to the shareholders of the minority faith, and in 1960 municipal grants in lieu of taxes were apportioned between the public and the separate school systems. Moving on to 1961, access to the SFPF levy on residential/nonresidential property was given to separate school supporters. In 1970 ratepayers who were neither Catholic nor Protestant were allowed to support a separate district, because we all know that some Catholic families chose the public system and some non-Catholic families chose the Catholic system. That allowed them to direct their taxes regardless of their individual faith, that allowed them to do that.

In 1973 undeclared corporate taxes were shared between separate and public boards on a resident pupil basis. In 1974 the SFPF was rebated from residential and farmland to the taxpayer. In 1978 provincial grants in lieu of taxes were apportioned to the separate system on a resident student basis. In 1981 federal grants in lieu of taxes were apportioned to the separate school system on a resident student basis. In the 1988 School Act amendment interfaith declaration was allowed where a family could split their taxation if one child went to one system and one went to the other, and sharing of taxes of undeclared residential property between public and separate systems on a per student basis was initiated. Mr. Speaker, that gave a lot of right of taxation, a lot of right of control of their own system to the Catholic and to the separate school supporters, again primarily Catholic.

11:40

Unfortunately, what Bill 19 proposes to do is to remove all but the initial rights of the North-West Territories Ordinance from the

Catholic system. The government continues to say that they're on sound legal ground to do this, that they have all sorts of legal opinion. Unfortunately, in a motion for a return and in a letter to the Premier – I've received two rejections to look at that legal opinion that was paid for by taxpayers' dollars. It's appropriate to raise that given that we've been debating the freedom of information Bill this evening. That information, which was again paid for by taxpayers' dollars, was referred to over and over again by the Minister of Education, and the Premier is not available for public scrutiny.

We're still waiting for an answer to the request I've made twice to the Premier in this Legislature that he avoid the long constitutional battles that could result in our court system, using taxpayers' money at the provincial level and at the local level, by referring Bill 19 to the Court of Appeal for a constitutional judgment so that in fact we can know if the government is on solid legal ground. We have to take their word for it. Well, goodness knows, we've taken their word for a lot, and we've paid for it in spades over the years. Mr. Speaker, again I'm going to ask the minister and the Premier – I hope he reads *Hansard* – to consider – I see the hon. Justice minister is here as well – referring this whole matter to the Court of Appeal so we can avoid long and unnecessary court battles that I believe are looming.

Mr. Speaker, separate school supporters in this province feel betrayed. They feel that they've been done to. They feel that they have been had. The rights that they have worked very, very hard to gain over the years suddenly are taken away from them in a massive power grab by a government who promised to listen. I find that regrettable.

The issue of superintendents is also dealt with in Bill 19. Mr. Speaker, nobody's fooling anybody here. Let's be very, very clear. The minister is going to control the superintendent. The school board is not going to be able to appoint anybody unless they have the cabinet's approval. The school superintendent's responsibilities are expanded to include implementing policies developed by the minister, and at any time the minister wishes he can tell the school board to fire him and hire somebody else. If he doesn't like who they hire, he can tell them to fire and fire and fire.

Mr. Speaker, this is very clearly an effort to take control away from local school boards and put it in the minister's hands. I challenge the minister to show us anywhere in the consultations, in the roundtables that were held last fall where people in this province begged this government, even suggested to this government that the government remove taxation power away from local school jurisdictions and that the government move in and try in a very direct way and indirect way to control the education system through the control of superintendents.

The superintendent is going to be designated as a chief education officer for the district. Well, in other words, they're going to be the chief alignment officer and, in the words of some members of the department, ensure that there's no variance and that the school jurisdiction is aligned with the policies of the Department of Education.

Again, I won't go into all the policies of the Department of Education that have caused us much grief over the years and have led to many of the problems we have. If you look at the roundtable suggestions, many of the problems that we have in our education system today – with regard to the schmozzle we have with testing, the curriculum reinvention scheme, the dumping of books and the book purchases that requires, the various systems, whether it be continuous learning or continuous progress, et cetera, ad nauseam – were all created by the Department of Education, were not created by school boards. Now we're going

to have the Department of Education taking on more control. It simply doesn't make any sense, Mr. Speaker. Again, I think it's incumbent upon the government to demonstrate clearly where in the consultation these changes were suggested. If these changes were not suggested in a major way in the consultation, then we can only assume that the consultation this government went through was a pure sham and was a PR exercise of the government.

MR. DINNING: Typical socialist babble.

MR. SPEAKER: Order, order.

MR. HENRY: I hear the hon. Treasurer referring to "socialist babble." I'll assure you, hon. Treasurer, you won't find a socialist over here; you will find a Liberal and a small "I" thinker. I suggest that the minister is looking for a socialist at every corner. He should look at his own caucus Whip and ask him where he came from. [interjections]

DR. WEST: You're a communist.

MR. SPEAKER: Order, order.

MR. HENRY: I'm now being called a communist, Mr. Speaker. My goodness, my goodness.

AN HON. MEMBER: A fascist calling you a communist: isn't that interesting.

MR. HENRY: Yes. I have never used the word and would never say this, but I can provide quotes from individuals who would suggest these policies that are brought in by the Ministry of Education and being proposed are fascist in nature. Very prominent persons in our education system have suggested that. So if we want to get into name-calling, well, we can get into that. I'd be glad to provide those quotes by board chairmen to the hon. Treasurer and others. [interjections]

MR. SPEAKER: Order.

DR. WEST: Let's have a truce, and we'll just have the NDP.

MR. SPEAKER: Order. Order please.

MR. HENRY: Thank you very much, Mr. Speaker.

I would also like to speak to a couple of other issues in the Bill. Firstly, the Bill is a major power grab by the provincial government. Secondly, we're going to end up with a provincial government running a system, and God knows the provincial government has been the one that's made the mistakes.

Another section essentially addresses what can be called open boundaries, whereby the funding within the public and separate systems will follow the student. I think generally there is some merit in this proposal, and I want to lay that out very clearly to the minister. I know the minister is aware that essentially that system operates in the Edmonton public system now. There is a danger, however, and I think we need to discuss that this is not a matter of philosophy. I believe the minister and I would agree that within the public and separate systems it would be a good idea for the funding to follow the student. That certainly has proved effective, and I recognize and I give credit for the fact that in Bill 19 it does have – and I'm really paraphrasing – a first come, first served basis so that children who are resident in a particular school area will receive service first. So there's no danger of that.

With respect, to the minister, where we may end up with a problem is in some rural jurisdictions or rural boards that are adjacent to larger urban boards. That's been expressed to me, and I think we need to find ways to address that so we don't end up – especially with high school students or situations where you have a school perhaps 20 miles out of a medium-sized centre, that the parent commutes or whatever. Or it's a high school student, and because they can get better opportunities or more options in a larger school, they move out of their smaller community into a larger system, therefore draining an already struggling system in terms of numbers. That's a danger – and I hope I've made that clear – that I think we need to talk about, that needs to be put on the table. That is, I believe, generally a move in the right direction.

Mr. Speaker, the issue of charter schools. In terms of what the minister first announced, and finally what the Premier was able to learn about eventually and I think figure out – and I will stand corrected if I'm wrong – as I understand, charter schools are an attempt to try to provide some diversity and some choice and some options within the system. That's laudable, but I have to pose a question: why do we need to bring in charter school legislation when in fact that kind of choice and that kind of option and those kinds of specializations and diversity are already happening, particularly in their two major centres? Maybe it's because they've got some money to do it. I'm aware of situations in Edmonton public and Calgary Catholic where you've got either a school with a particular specialty or a particular focus, whether that be fine arts or whether that be vocational or whether that be focusing on a particular philosophy of education – the Tempo school in Edmonton, the Caraway school – or whether it have a particular language focus such as some of the heritage language schools, the bilingual programs in Edmonton, the Hebrew school funded by the Calgary Catholic school board. So we're already able to have that kind of diversity and that kind of choice within the system.

11:50

When the minister first talked about charter schools, I said publicly then that I would wait to see more details about making a final judgment on the charter school issue, because I believe if the intent is to simply allow smaller school jurisdictions perhaps the financial flexibility to offer that kind of choice within their systems that the two major centres have, then that seems to me a laudable goal. But why do we need special legislation on charter schools? A school board can already establish a particular school and give parents more control. I'm aware of schools in Edmonton where because of the nature of the school and what the school board has given to that school, representatives of the parent advisory council are consulted in a very meaningful way in the hiring of staff, in the development of programming, et cetera, by the superintendent and the principal. That's already happening within the system. I think I have to question. I don't want to think this is another agenda, but I wonder if there's another agenda with regard to the charter schools.

I think there's a danger – and this is where we're having central control; I think it sends a wrong message – allowing charter schools to bypass their local school jurisdiction and sign a charter essentially with the minister if they can't reach an agreement, as I understand the legislation says. It seems to me that in almost all of our province you have two school jurisdictions to choose from. Again, in Edmonton and Calgary we've seen situations where one school system has not been willing to enter into certain kinds of agreements with groups and the other has. Certainly if a group

in a community cannot reach an agreement with one of two school boards, with two sets of elections and two sets of trustees, then you have to wonder: is there something else wrong, and why should that be allowed to bypass and sign an agreement directly with the minister? I think the minister has to really be clear about that. I know one of the rationales for that is, perhaps, that there are some schools that serve provincewide: the Alberta School for the Deaf or the Distance Learning Centre or others like that. Surely if funding's going to follow the student, those kinds of schools can sign agreements with the local boards. As I understand, the plan was and may still be for the Alberta School for the Deaf to be transferred to the Edmonton public board. Why can't they sign an agreement with that even though they perhaps have a provincewide clientele? So why do we need that option of bypassing the school divisions and going directly to the minister?

Mr. Speaker, there are a couple of things missing in this Bill. Number one, there is too much left for regulation. I would ask the minister to go back and I'm going to ask the Premier to go back and review the experience the Premier had with the Environmental Protection and Enhancement Bill – I may not have the name quite right – when the Premier, who was then minister of the environment, went on a very extensive consultation process and produced not only a Bill but draft regulations. What's missing in the charter schools is any sort of evaluation system put into place, number one, any sort of limit. If we're talking about pilots – and we're really talking about pilots – let's put a limit on the number of schools, and we can negotiate what that should be. Thirdly, there should be a sunset clause in this part of the legislation that makes us as legislators come back in three or five years or whatever and revisit the issue and look at exactly how those go.

School board amalgamation. What we're seeing is Bill 8 that allowed for courtship for school boards to start looking at amalgamation – and there have been several successful examples and more coming – and now we're going to see shotgun weddings. I think the August 31 deadline is artificial, and I think rather than give the minister power to force school boards, we should be then giving school boards more options.

Mr. Speaker, just in summary, there are problems with the school councils and the boards and the ministry with regard to definition of powers and some overlap there, and I see some problems coming down the road. Essentially I see more of a concentration of power and authority, and I'm not sure that's good. Again I reiterate: who in all the consultations asked for the majority of changes that are in the Act?

Thank you very much.

MR. SPEAKER: The hon. Member for Lethbridge-West.

MR. DUNFORD: Mr. Speaker, I find this a very exciting night. We've had the opportunity to address freedom of information, and now we have an opportunity to take a look at the new School Act.

MR. DINNING: What about the Treasury estimates?

MR. DUNFORD: What about the Treasury estimates?

There are six points that I am particularly pleased with under the legislation that's been tabled, and I want to speak just very briefly of them. The six points are: the charter schools; the second point, requisition of taxes; protection of Catholics; the 3 percent requisition; dollars that will follow the child; and the school-based management principle.

On the charter schools, what I'm particularly in favour of is that I think this now provides the opportunity for the system to experiment. My impression and my experience with the education

system has been that there wasn't really a proper avenue or a proper vehicle in which to try out some new things. All of a sudden something would happen it would seem almost overnight, and there would be a new system in a school. I can recall particularly my son when he was in grade 4 at a school in Lethbridge by the name of Fleetwood-Bawden that all of a sudden went to a wide-open learning system. This was not what my son needed. He needed a highly structured situation, and we pretty nearly lost the little guy during that particular time of his education. So what I see in the charter school is the ability, then, to provide some innovative programs where we can try out some new things. I think change is important and change is required, but this would allow us to do that in a more experimental way. We can test it and see if the results are there, and then we can spread it to the larger system.

In terms of the requisition of taxes, I agree with the minister and with the department officials and other people that I've talked to that this really was the only way in which we were going to get equity funding to every child in Alberta. While I tend to separate myself in terms of economic matters and social matters as to the definition of equity versus comparative advantages, certainly here in education on the social side I think that's a very important concept, a very important theme, and I think we have to carry through with it.

I mentioned earlier today, as a matter of fact, that in discussing the situation with a school board chairman I saw another potential advantage of this new way of requisitioning taxes and taking it away from the school trustees: I think it takes a large monkey off their backs. One of the things that always intrigued and impressed me was that in conversations at coffee shops or at work or even in our homes we would discuss how it was that there just seemed to be a school requisition and just like a blank cheque they handed it to a municipality, and all of a sudden we had to pay the bill.

In those discussions sometimes the discussion moved around to: "Well, if you're upset about it, why wouldn't you get involved in the process?" I think there were some very good people that didn't want to get involved at the level of school trustee because they didn't like that feature of it. I think there are some very, very good people who now will come forward. I am excited about the opportunity at election time for school trustees, just to see whether or not the mix of people – not the calibre of people – that come forward for election will change. I suspect that it will. What I am hopeful of is that we will see more people with a business background that will put themselves in this position because they will not have that monkey now of attempting to collect tax. They simply will be there to provide the reasonable and the judicial expenditure of the dollars, then, that they receive from the provincial government.

12:00

In terms of protection of Catholics, I've been trying to deal with the Catholic school district No. 9 in Lethbridge. The chairman and I have agreed that we must see more of each other. It is true that I am not a Catholic, so I cannot empathize with Catholics in this matter. But I sympathize, and I have been trying as best I can to portray to the Catholics in my constituency that I am probably oversensitive to their needs. The fact is that I believe there's a constitutional responsibility here on this particular government and on this minister, and it is my job to ensure, then, that he lives up to that commitment. I believe he will, and I'm there to help him do that.

The fourth point, the 3 percent requisition. When that first came up, I have to confess that in the initial discussions I was opposed to this concept, but I was swayed and actually changed

my mind over the comments of my colleague from Little Bow. Because his argument, as I recall it, was that here was an opportunity in a rural situation, if we had a potentiality for a school in a local community to perhaps be closed based on some sort of configuration of numbers, where there might be an opportunity for a town or for an area to band together and find a meaningful way in which to keep that school open. I'm an urban MLA, and I try to, again, sympathize and empathize as much as I can with my rural colleagues. I was struck by that argument and now have adopted that as part of what I agree with in this new Act.

The fifth point, the dollars following the child. I am very pleased about this and also the sixth point about school-based management. Unlike a speaker earlier this evening who feels that this is a power grab by a central government, what I see is more a model similar to perhaps what we learn in total quality management, where you have a central authority that certainly wants to provide the mission and provide the goal, but it's up to the operating entities – and in this case we're talking about schools – to then achieve those particular goals through their own particular objectives that they are able to formulate. So with the dollar following the child – and we're not talking here of going from school to school – certainly we're talking, as I understand it, of the dollars then following from a school jurisdiction to another school jurisdiction. So if we have a situation in Lethbridge where the parents of a child living on the north side find something extremely attractive about either a public or a separate school on the west side, if they're willing to, you know, pay the price in terms of transporting that child to that school, then they'll have a meaningful way in which to have some direct input into that child's education.

School-based management I think speaks for itself. In terms of the philosophy that I have and I believe that many of my colleagues have, we are very interested in getting the decision-making to the consumer level, and in this particular case that is the parents of the child. But more than that, in terms of these councils it can also be community members. I find it very intriguing but hardly unusual that I find no school trustees that agree with this particular situation. And I guess why should they? Because we are certainly and I think clearly moving some of the power that exists in the education system away from that administrative level down to the school level. I'm particularly pleased, and I believe it can work.

MR. SPEAKER: The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. I was almost taken by surprise here, but nevertheless I'm ready to speak on this very important subject.

First of all, I think it was the Minister of Municipal Affairs who likened Bill 18 to a motherhood Bill for which he would reluctantly vote. Well, Bill 19, I'm afraid is the opposite. It emasculates local control, and I will very much and gladly oppose it therefore. It is a move to centralize education for which this government does not at all have a mandate, Mr. Speaker. This government, Ralph's Team as I think they were called in the last election, did not at all campaign on a platform of centralizing education by taking over control of all the local school revenue taxes. They did not at all campaign on the assumption of power by appointing and dismissing superintendents. I wish they had. They did not say that they would cut kindergarten programs in half. They did not say that they would beef up school councils, nor did they say that they would establish charters. I wish they'd done all those things. It would have given them a mandate had they been elected, but of course that would have been very doubtful.

This government also did not campaign on the promise of cutting at least 12.6 percent of education, nor were there any recommendations in the roundtable discussions, Mr. Speaker, that indicated that people wanted all these things. It's amazing how fertile one's imagination can be. I guess if you have roundtable discussions and you don't like what comes out of them, you can cook up anything you like if you're a government. I think it's clear that the government had the fiscal agenda that they were going to reduce spending on education. The official reduction is 12.4 percent over three years, but in reality, of course, it's more if you include the increase in the projected enrollments.

Then the Premier and the minister and sometimes even the backbenchers, who ought to know better I think, have the audacity to claim that the quality of education will not be affected by these cuts, that the classroom will not be touched. Mr. Speaker, what utter rot that is. How can they look anyone straight in the eye and say that? [interjections] Tell that to the parents of kindergarten kids who lost half a program. Tell that to the students whose class enrollments will increase every year from now on. What does the minister think here when boards decrease their teaching staff by 10 percent? What does he think is going to happen to class enrollments? I'd like to know that from him. [interjections]

MR. SPEAKER: Order. [interjections] Order.

The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. Regardless of what they say, it is the epitome of foolhardy arrogance to maintain that the classroom will not be affected and that the quality of education will not be affected, and to hear that from a minister who has laboured in the vineyards at every level – I just can't understand it. It's frustrating. You'll probably hear about another study that proves that education will be untrammelled, but of course we won't get to see it because it doesn't really exist. It's frustrating. It's really frustrating to know that our kids will bear the brunt of all this, all these cuts and all these major changes.

Now, these changes are supposedly necessary in order to make the system more efficient and less costly, but they won't do either of course. We know that. It's just an enormous, unauthorized power grab by a power-hungry government under the guise of economizing. This Bill, Mr. Speaker, is ill conceived, and I hope it will have a very difficult delivery and preferably be stillborn.

12:10

Now, those were only my introductory remarks. With your permission, Mr. Speaker, I'd like to delve into the Bill itself, which represents several amazing contradictions that I don't think the government has discovered yet. First of all, the government intends to take over control of education while leaving the accountability at the regional and school levels and incidentally claiming that the control lies at the school level. The province will control funding, curriculum, administration, and student assessment, but the regional boards and the schools are accountable for the results. Interesting concept.

Next in the areas of responsibility or accountability the school council, the principal, the board, and the superintendent are all charged with ensuring that students have the opportunity to meet standards of education set by the minister and ensuring that fiscal management is sound.

MR. WOLOSHYN: Sounds pretty good to me.

MR. VAN BINSBERGEN: It sounds excellent, but they all have to do that, all four of these bodies, and the school councils are supposed to be advisory to the principal. Mr. Speaker, what a hornets nest. Who's going to do what?

Finally, the superintendent serves the minister as well as the school board. Of course, that's a situation that's fraught with potential conflict. Let's take a closer look at . . . [interjections] Mr. Speaker, that member on the other side that is so noisy may have a chance later on at 5 in the morning or so.

Let's take a closer look at the important parts of the Bill here, if the Member for Cypress-Medicine Hat will bear with me. Local school taxes that are to go to the province from now on are also called the 1 and a quarter billion dollar tax grab. The minister says that there was no consensus whatsoever amongst school boards for any form of corporate pooling. I think he overlooked the 70 percent that agreed to the ASBA proposal last fall that was a very modest form of corporate pooling, and perhaps he would . . .

Point of Order

Questioning a Member

MR. SPEAKER: The hon. Member for Calgary-Shaw is rising on a point of order.

MR. HAVELOCK: Thank you, Mr. Speaker. I was wondering if the hon. member would entertain a question.

MR. MITCHELL: Could the member please give us a citation under which he is rising?

MR. HAVELOCK: I'm just confused and tired, so I stand.

MR. VAN BINSBERGEN: I'm not going to allow a question because it cuts into my time. I have so much to say here. I will see the member afterwards.

Debate Continued

MR. VAN BINSBERGEN: Mr. Speaker, I was just about to recommend to the minister that he perhaps can review the school boards and find out whether they would agree to a moderate form of corporate pooling, because we think it's there. He may have overlooked that.

The school boards will no longer be able to count on the 42 percent that they got out of the local school taxes. It'll all go to the province now, and it will be dispersed by the province on an equitable basis. I think it's been mentioned before that nobody really knows how that's going to happen. The regulations have not yet been struck. What is an equitable basis? Presumably in my riding of West Yellowhead distances will be a factor, and therefore my school boards will be compensated for that. But then there are others that have a large number of new Canadians or landed immigrants who perhaps need a lot of English as Second Language training. There might be others that have a large number of socioacademically deprived people, and when you add it all up, Mr. Speaker, it seems that possibly every jurisdiction could claim to be exceptional and therefore need special funding. I wonder how the minister is going to solve all that?

So this government continues unabatedly, I think, with the parochial patronage approach that they have so often used. I know, Mr. Speaker, that you may not like this, but unfortunately we only have to look at the fact that we find in all PC ridings a hospital at every tree and on we go. We are afraid that the new system . . . [interjections]

Point of Order

Clarification

MR. SPEAKER: The hon. Member for Calgary-McCall rising on a point of order.

MR. SOHAL: Point of order, sir. I don't have a hospital in my riding. So for the record I want to make it clear.

Debate Continued

MR. VAN BINSBERGEN: Mr. Speaker, I shall continue. The tax grab curtails the autonomy of local school boards very, very drastically, but it also clearly undermines – and this the important thing – the constitutional right of Catholic school boards to levy their own property taxes. At the last moment the government came up with and put in Bill 19 a way around the Catholic opposition to the tax grab. They will now allow them to levy tax according to the legislation prior to the 1980s, and that would mean a loss, I think, for the Calgary separate school board of close to 40 percent. Now, that is a pretty high price to pay for principles, and it is commonly referred to as blackmail.

Now, the next point that has created a lot of controversy is the appointment of the superintendent. The minister has stated that the powers of the school boards haven't really changed much. Well, if you forget about the loss of the levying of the taxes and if you forget about the fact that they are not free to appoint whichever person they want as superintendent – it has to be approved by the minister, and the minister can fire the superintendent. Now, those are pretty drastic curtailments, Mr. Speaker. Local autonomy: where has it gone? It used to be there. Again, nobody but nobody at the roundtable discussions suggested this particular move about the superintendent, absolutely nobody. The minister clearly invented that particular one.

The government has been putting a little water in their wine or in their Kleinen maybe I should say, by allowing now the school board to appoint; the minister only has to approve. Still pretty important, but it was a wise retreat because it generated so much controversy.

Now, as to who will be able to get the job of superintendent. Of course, the fear is amongst the present superintendents and many potential that one has to be a card-carrying PCer. I'm just passing on what I've heard. Of course, I don't believe that. So decrease of local autonomy. Also the contradiction: the superintendent is being charged under Bill 19 with being the chief executive officer as well as the chief educational officer. That person has to implement the policies of the minister at the same time as he or she has to serve the board. Now, I don't know who can do a good job of that, but surely it is fraught with difficulties, Mr. Speaker.

AN HON. MEMBER: That's the third time tonight you've said that word.

MR. VAN BINSBERGEN: I learned that from the Minister of Municipal Affairs. I was quite impressed with it.

12:20

Next, Mr. Speaker, charter schools. There could be something good in the formation of charter schools all by itself. I haven't decided yet whether I like this particular item except that I'm apprehensive because hardly anything has been drafted in terms of regulations. Edmonton and Calgary, for instance, already have alternative schooling based on different philosophies and based on cultural basis that could be extended to other school jurisdictions,

I suppose, particularly with the school-based management approach. So I'm not quite sure why it needs to be introduced in this Bill. It could be that a potential charter group of course can bypass – and I don't like that – the local board and go straight to the minister to apply. Again, there is a possibility of private schools sneaking in there and getting public funding. Particularly, of course, when the Treasurer on the open line indicated, as I heard him say, that the end of the monopoly of public education was in sight. There's no number, there's no limits . . .

Point of Order

Factual Accuracy

MR. DINNING: Point of order.

MR. SPEAKER: Is the hon. Provincial Treasurer rising on a point of order?

MR. DINNING: Mr. Speaker, would the hon. member be interested in the facts or would he like to just carry on? [interjection] In the way of a question.

MR. VAN BINSBERGEN: Mr. Speaker, I'm always interested in the facts, so perhaps the Treasurer could meet me after I'm done and inform me of these.

Debate Continued

MR. VAN BINSBERGEN: Bill 19, Mr. Speaker, does not at all speak to a number of pilot programs, and I think that, again, a small number might be acceptable, but this is wide open. There's also no evaluative approach to any of these pilot projects.

There is another item here, section 24.5(2) allows cabinet to exempt charter schools from most provisions. I think that's very dangerous, Mr. Speaker. Again, it opens the way to all kinds of inequities.

Another item here: the minister may make regulations regarding the charter schools. Almost every aspect of charter schools could be established by the minister in regulations. That, too, is wide open.

So, in short, on that particular item of school councils, Mr. Speaker, I haven't made up my mind. I'd like to hear far more from the minister, and perhaps we can fill up all these glaring holes with some good, solid amendments. I think it was the Premier who indicated today on the subject of freedom of information that he's looking forward to our amendments, that he will give them his ripe, mature consideration.

Now, on the subject of school councils, I don't know, Mr. Speaker, it really looks like it hasn't been very well thought out. I hate to say this to the minister because I know that he probably worked hard at it for many years. I've already referred to the fact that the school councils and the school boards and the principals all seem to have similar duties. Again, this situation is fraught with potential conflict – there's that word again – because of the similarities of the mandates they have, and it will lead to additional potential problems. The composition of school councils: the majority of the members should be parents of students in that school, I would assume. They will be dominant amongst the noneducated participants. Now, will the general taxpayers go along with that? Hard to say. Most schools, especially high schools, have had problems with the formation and survival of the school council. I speak from experience in that particular respect. Many parents are simply not interested any more. Now, all of a sudden, it's going to be mandated; it's going to be mandatory to have one. I can see the minister go out into

the street and drag these people in and say: "You shall serve without any remuneration." I'd like to see that. If enough taxpayers and parents are found willing to participate as council members, then most probably there will have to be weekly meetings in order to ensure that whole mandate, achievement of educational standards and financially sound management and so on. How long is that going to take before they get fed up meeting without any remuneration? I have a vision there of 1,600 boards who all get remunerated throughout the province.

Mr. Speaker, I shall gladly cease my place to the next speaker.

MR. SPEAKER: The hon. Minister of Municipal Affairs.

DR. WEST: Yes. Thanks, Mr. Speaker. It's a late hour but it's so great tonight. We're getting such a fantastic cross section of Bills and debates in that it keeps your interest.

Bill 19 is paving a new way in this province for education for several generations into the future. An old statement: never break tradition unless it stands in the way of progress. We've had a good tradition in education. The foundation of education is created by our forefathers, and those trustees and teachers and parents and students that have gone through it have certainly built a strong tradition in Alberta. But some of the pillars of the structure today are standing in the way of progress. We are an upwardly mobile society. We have changed tremendously in our educational component: nearly 40 percent of the population of Alberta today have a postsecondary education. So Bill 19 paves the way for some innovative, new, creative ways of giving education to future generations.

I want to comment on a couple of the areas, and I look forward to the debate as it continues on this Bill, because I think it's time to set the record straight with the citizens of Alberta as to the benefits that are going to come rather than the doom and gloom that's painted in many of the articles that I've read recently. We seem to concentrate totally on dollars and power, those that are going to lose some of their long-standing traditions. But why aren't we concentrating on what this Bill is going to do for the future students and their ability to access an education that will give them the foundation to go through into a highly technical world and to access many of the new jobs that they will be challenged with in that future?

Let's get off the power brokerage that comes because we're downsizing from 140 boards to 60. I know there are a lot of good superintendents out there and trustees that have served this province very honourably over the years, but we must move on to a more streamlined administrative model and focus and regroup on the students, on the school, on the classroom and what the teacher does rather than the system and structure of 140 boards. Therefore, once we get off that model and start looking at the benefits of this model, I think the future will start to unravel in a positive manner rather than the negatives I see today.

I could go on at length, Mr. Speaker, but I would like to adjourn debate on this Bill at this time. As I've said, I anticipate what is going to happen in the evening. I look forward to a change of topics, because it is exciting to see the various Bills that we're bringing forward tonight.

MR. SPEAKER: The hon. Minister of Municipal Affairs has moved that debate be now adjourned on Bill 19. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Carried.

Bill 20
Regional Health Authorities Act

MR. LUND: Mr. Speaker, it is with a great deal of pleasure that I rise to move second reading on Bill 20, the Regional Health Authorities Act.

12:30

Mr. Speaker, this Bill is enabling legislation. It allows for the minister to set up regions, and it allows for the regions to have regional authorities that will govern them. The Bill lays out the responsibilities and the duties of the regional boards. The composition of the boards will be set out through regulation. The Act calls for the first board to be appointed by the minister, and in the future the boards will be either elected or appointed.

The responsibilities and the duties of the regional authority are spelled out in the Bill. One of their first tasks will be to come forward with a health plan for the region that they are governing. That will have to occur quite quickly. If the plan doesn't meet the needs and the responsibility of the minister in setting out what is necessary under the Canada Health Act, then of course the plan will have to go back. The Bill talks a bit about that.

The Bill also allows for the setting up of something known as community health councils. It also talks about the ability of those councils to be incorporated; therefore, they would have the ability to act in a manner that would allow them to actually deliver some services in the community.

I should have mentioned – because it's become somewhat of a current controversial issue, I believe, because of a lack of understanding – that the regional authority does have the ability to requisition. I know, Mr. Speaker, that we're not supposed to get into specific sections of the Act, but because this one seems to be causing a lot of concern, I just want to point out that the ability – well, first of all, the regional authority has the rights and powers and privileges of a natural person. Then beyond that, the regional authority is given the ability through the regulations to requisition a municipality. The Act says it is for capital costs. That is similar to what's currently in the health Act today. It relates to things like paving the parking lot for the facility, or it may be putting the water and sewer into a facility, or it could be for the purchase of land for a facility. It's not for operating, and it's not for the construction of the actual buildings. Before we get into debate in committee, I want to get that on the record.

The community health councils that I was discussing earlier: we see that, and the Bill sees that as the link from the community to the regional authority. Under the regulations that linkage will be formalized, and probably it will vary. The Bill, as I say, is enabling, so there could be a number of models that will be determined by the people that the authority is serving. This whole process has been from the ground up. The boundary issue has been one that has had a lot of input. There were in excess of 200 submissions that came in relative to those boundaries. As the governance is to be established, we have the same kind of input from the public. So, Mr. Speaker, this Bill really simply lays out the map and what the public has said they want accomplished.

Thank you.

MR. SPEAKER: The hon. Member for Edmonton-McClung.

MR. MITCHELL: Thank you, Mr. Speaker. I would like to address Bill 20 in its second reading. We're in favour of regionalization. We had the courage to campaign on it in 1989

and 1993, unlike this government which didn't campaign on it and in fact quite studiously avoided the whole issue of regionalization and finding efficiencies in health care. In fact, what's interesting, I have to point out, is that it was a former contender for the leadership of the Conservative Party, Nancy Betkowski, who actually had begun to regionalize and to make some health care decisions based not on politics but based on health care. The Treasurer knows, because he had the presence of mind to support her – and good for him – because he believed when it was hard to believe in regionalization just as we believed when it was hard to believe in regionalization. The real irony, the real hypocrisy, Mr. Speaker – and I use that term in a nonspecific way – is that this government actually drummed that particular person not just out of the leadership but out of the party because she was able to take that position when it was tough to take that position. [interjections]

AN HON. MEMBER: They're sensitive.

MR. MITCHELL: Very sensitive, very sensitive.

Mr. Speaker, we are happy. I want to say that we are happy to see that the government has finally responded to one of our very important campaign platforms, 1989 and 1993, to find some efficiencies . . . [interjections]

Point of Order
Imputing Motives

MR. SPEAKER: Order please. The hon. Member for Three Hills-Airdrie rising on a point of order.

MS HALEY: Thank you. Imputing motives, Standing Order 23(i). Whether the member from across the way knows it or not, many of us campaigned on regionalization of health care and education because there simply isn't any other way to take this amount of money out of a budget and not restructure. So I'd appreciate it if maybe he could just tone it down just a tad.

MR. MITCHELL: Ooh, a shot to the heart, Mr. Speaker. A shot to the heart. I'm reeling.

Mr. Speaker, the repartee in here has risen to a new level. I want to say that, yes, we are happy that finally backbenchers like the member have been heard by this front bench that so studiously avoided regionalization, because we believe and have believed for a long time that regionalization is fundamentally important to finding efficiencies in health care delivery in this province.

Debate Continued

MR. MITCHELL: It's very interesting that a high-placed Tory heart surgeon said in the newspaper this weekend that this government wasted \$300 million in health care expenditure over the last 15 years. Well, Mr. Speaker, if they'd known how to administer health care over those 15 years maybe, just maybe that wouldn't have occurred. What is very, very disconcerting is that they have lost sight. They want everybody to believe that the problems with expenditure in the health care system relate to problems with the Canada Health Act and the way that we have structured our health care system in this province to this point. What they neglect to observe is that the problems in the health care system don't relate to equality of access and universality and comprehensiveness and those very important values; they relate to poor management of the health care system by this government. As discouraged as we are with user fees and commercialization and that Americanization which we see creeping into the philosophy, creeping into the policy due to the ideology of this govern-

ment, we are encouraged to see that at least they have got the idea of regionalization. However, Mr. Speaker, as is so often the case, it is not quite properly done.

12:40

Mr. Speaker, let me tell you why it is not quite properly done. One of the reasons is – and this is truly a surprise to us who have heard so much about the tough fiscal management, the antitaxation, the lower taxation regime that we confront day after day – that they have very, very surreptitiously – a word that I would like to use – created another aggressive level of taxation. The minister would want us to believe that nothing has changed, that it used to be that municipalities could levy a tax to put into health care. But there were prohibitions on what they could do with that tax before. Mr. Speaker, do you know what's happened now? There are no prohibitions. What we have created is another level of taxation for health care. It's a very frightening prospect, because the Premier . . . [interjections]

MR. SPEAKER: Order.

MR. MITCHELL: If I had to use a word, Mr. Speaker, it's called "downloading." The fact of the matter is that the Premier will stand up and say: we are getting less government; we are creating less taxation. But do you know what? They don't know how much more government they're creating because they've just dumped it on the municipalities. Have they got a guarantee? Has the Treasurer, the grinning, snarling Treasurer, got a guarantee that the municipalities aren't going to raise more taxes for health care? No. No guarantee, Mr. Speaker. The fact of the matter is that he has created another level, another taxation initiative which they cannot control. That is a very, very serious flaw in the way they have structured this regional program.

The second problem, Mr. Speaker, is that this Bill very specifically allows regional authorities . . . [interjections]

MR. SPEAKER: Order.

MR. MITCHELL: I listened to you, Municipal Affairs minister. [interjection] Yeah, I did. But I could smell the burning wire as you were shorting out. It was garbled. It was coming and going. We were going to throw you some water, but the cup was empty. [interjections] Mr. Speaker, could I have a little more time? These guys are cutting into my time.

The fact of the matter is that this Bill brought in by a Premier and minister who have so aggressively said that they support the Canada Health Act allows for 15 new government agencies – as if we're getting less government – to impose user fees. There are many implications of this for our health care system, Mr. Speaker. The fact of the matter is that it becomes even more balkanized, that people may be able to get one service in one region and the same service in another region but there is no guarantee that they will pay the same price for it. I believe that this is a way for the province to push that kind of decision to another level where it is much less politically conspicuous, to divide and conquer: to create 15 different initiatives with respect to user fee creation that will be much, much more difficult to react to, to respond to, and to prohibit.

Let me discuss user fees for a minute. User fees are a slippery slope. This government has always said: "Well, we would only impose user fees on people who could afford to pay them. We wouldn't impose them on people who couldn't afford to pay them."

MR. HENRY: Yeah. Like seniors.

MR. MITCHELL: Right. Like seniors.

Well, Mr. Speaker, the fact of the matter is that if they couldn't afford to pay them, then of what use would those user fees be? None. If they could afford to pay them, then they certainly wouldn't reduce the abuse those people would ever be imparting to the health care system. Well, what people don't realize, Mr. Speaker, is that a user fee isn't just a once in a while thing. What will happen is that people will begin, in anticipation of paying a user fee, to find ways to ensure that. What that becomes is a monthly payment, which is a tax by any other name, a monthly payment to an insurance company. If you ever want to see how that works and how inefficient that is, look at the American system. The American system is 50 percent less efficient, 50 percent more costly relative to their economy, 50 percent . . . [interjections]

MR. SPEAKER: Order. Order, hon. members.

The hon. Member for Edmonton-McClung.

MR. MITCHELL: Thank you, Mr. Speaker. I appreciate your support in this Legislature.

My point is, Mr. Speaker, that user fees are a slippery slope which will destroy the integrity of our health care system, and if you ever need to see how an Americanized, how a commercialized system is more cumbersome on an economy than ours is on our economy, look at the American system, 50 percent more expensive relative to their economy than ours is relative to our economy. Not only that, but they don't insure 38 million people. We have a very efficient system in which we can find greater efficiencies, yes, but we do not have to throw out the baby with the bathwater.

Just because this government couldn't manage the health care system doesn't mean that we have to destroy what is of fundamental value to our society and begin this slippery slope with extra taxation levels and with user fees, which will create a two-tiered health care system, which will divide this society in a way that is very, very unbecoming. They haven't got the courage to stand up and do it themselves. They thrust it down upon 15 regional boards that will be able to do it in a much different way and will have to do it in a much less obvious way. It will be subtle, but five years, six years from now, we will not recognize the health care system that we once had, that we once admired, and that we once valued in this society.

Now they're trying to underline that whole initiative with this idea that the Member for Bow Valley is going to define essential versus nonessential services, Mr. Speaker. Well, that is a very, very disconcerting thought. Is this government saying that doctors, medical professionals in this province, have been providing nonessential services for which they've been paid? Is that what they're saying, that they have allowed that to occur, that services people haven't needed have been paid for by the medicare system? You're standing here, each of you, and you're nodding your heads and saying you've actually allowed that? Maybe that's where the \$300 million went, Mr. Speaker; maybe that's where the \$300 million specified by that surgeon went. The fact of the matter is that it is extremely difficult to begin to define those. It is very, very evident that you don't find very much in the way of savings in that way, and what you do is you underline and emphasize the creation of a two-tiered system in our society. I wonder how much the Member for Bow Valley collected for providing nonessential services prior to becoming an MLA.

**Point of Order
Imputing Motives**

DR. OBERG: This is a point of privilege.

MR. SPEAKER: The hon. Member for Bow Valley is rising on a point of order?

DR. OBERG: Mr. Speaker, I rise under Standing Order 23(i). The hon. member opposite is imputing that I have falsified my medical practice. He is imputing . . . [interjections]

MR. SPEAKER: Order. The hon. Member for Bow Valley has the right to make his point of order and be heard.

DR. OBERG: Thank you, Mr. Speaker. Under the bylaws of the College of Physicians and Surgeons, providing false medical practice is conduct unbecoming and I can lose my licence, which is what the hon. member across has imputed. I would like him to withdraw those remarks, please.

MR. MITCHELL: Mr. Speaker, if I had said that, I would withdraw those remarks, but if the member had been listening properly, he would see that I was only agreeing with his own members, who said that yes, they have been funding nonessential services. Therefore, I asked him how many of those nonessential services which they have been funding . . . [interjections]

12:50

MR. SPEAKER: Order. Hon. member, the Chair has to admit that it was a little difficult to hear what you were saying, but the Chair thought it heard the hon. member accuse the hon. Member for Bow Valley – not accuse but wonder aloud how much money he improperly received. [interjections] Order. Then the hon. Member for Edmonton-McClung will clarify what he in fact did say.

MR. MITCHELL: Thank you, Mr. Speaker, I will. What I said is that I find it very difficult to believe that the government would suggest that doctors and medical professionals in this province have charged for nonessential services, and then they agreed. They said yes they have. So I said: could the Member for Bow Valley please tell us how much he's charged for services that were nonessential? That's all I've asked.

AN HON. MEMBER: That's right: imputing motives.

MR. MITCHELL: No . . .

MR. SPEAKER: Order please. The Chair heard the hon. member say he wondered how much the hon. Member for Bow Valley received for doing unessential services. The Chair heard the hon. member say that. Well, that is impugning the character of the hon. Member for Bow Valley, and the Chair directs the hon. member to withdraw that wondering.

MR. MITCHELL: Mr. Speaker, just so I can get on with my comments, I will withdraw it, and I'm sorry if I've offended the member. Truly, he is perfectly within his rights under this health care system to bill for some nonessential services as defined under the Canada Health Act. That is a fact; it is a fact. In fact, it happens all the time. But I withdraw my comments, and I'm sorry if I have caused him some discomfort.

Debate Continued

MR. MITCHELL: Mr. Speaker, I am also concerned about public health units. I would like to question the manner in which public health units and their services will be handled within this new regional health care system. Yes, some arbitrary decisions

had to be made about how regions were drawn. Unfortunately, it seems that they may have run counter and crossed the boundaries in many cases of how public health units have been structured in this province. It may be that that can't be helped. It may be that in drawing regional boundaries, you had to cross some lines that were difficult to co-ordinate. But it does raise the question of the balance between an acute care facilities driven health care system and a wellness focused health care system that is more generally accepted, is driven by the public health system.

What we don't want to see is a diminishing of the importance, of the significance of the role of public health, of home care, of community health care within our health care system. Quite the contrary, we would like to see the regional structure emphasize and promote public health in a way that focuses on wellness, in a way that focuses on preventative health care, and in a way that supports and reduces the pressure that is currently being placed upon acute care facilities. I don't know how the balance between acute care driven regional concerns and public health care driven regional concerns is going to be reconciled, but I raise that question, and I'd like to have some clarification.

There are some regional boundary anomalies which I think raise a couple of questions. One, it is interesting that there hasn't been a great deal of time and effort put into allowing the public to have input into these boundaries. It's been very rushed, and in fact the consequences . . .

Point of Order Imputing Motives

MR. SPEAKER: The hon. Member for Bow Valley is rising on a point of order.

DR. OBERG: The point of order is Standing Order 23(i). He's imputing motives when he is saying that the 10 series of roundtables did not consult the public and that there was no work put into it. I would like to establish that there has been a tremendous amount of work put into it, and I would like him to withdraw those comments.

MR. SPEAKER: Well, the hon. member will not get the Chair's assistance on that point of order.

While the Chair has the floor, the Chair directs hon. members over in that corner to remove the exhibits that they have posted on the front of their desks. The hon. members know better than to do that, so please remove them.

The hon. Member for Edmonton-McClung.

Debate Continued

MR. MITCHELL: Thank you, Mr. Speaker. I was at the roundtables, and while the regional idea was discussed, there was no specific discussion of boundaries, of what the boundaries might be. When you consider the amount of public input that was solicited on electoral boundaries, I would argue that something between what was done by this government and that would be more appropriate. These boundaries will have a huge impact upon a very important feature of Albertans' lives, just as electoral boundaries do, and I think it would be important and significant that the public of Alberta would have a greater opportunity for input.

There are some anomalies which I would like to raise. It's interesting that a north-south boundary has been drawn between Oyen and Cereal and both of these towns have hospitals and are nine miles apart. Why would it be that that regional boundary would be drawn in such a way as to save those two hospitals? Maybe that's what's appropriate, but I'd just like the minister –

both of those towns happen to reside in her riding – to address this.

It's interesting to look at region 8, which includes Barrhead and Whitecourt. Two very powerful cabinet ministers will have ridings that fall into region 8. There are about 155,000 people in that region. The region just to the north has 95,000 people. It seems like a tremendous discrepancy and quite an odd way to draw the boundaries to create that discrepancy. Mr. Speaker, I raise the question because I'd like to know how it is that that particular result was allowed to occur.

There is no resolution of an important issue, and that is whether or not the existing hospital boards will be maintained. That is a very, very critical issue, Mr. Speaker. We do not need yet another level of bureaucracy. Clearly we have to address the question of whether or not hospital boards . . . [interjections] Don't I get a little more time because they were interrupting me so often, Mr. Speaker? Thank you. I have five minutes.

What we would like is for the minister to clarify what her intentions are for existing hospital and other health care boards. Will these boards be disbanded or won't they? If they are to be disbanded, how is that going to be reconciled with the independence, for example, of Catholic hospitals? Are they somehow to be expected to give up? What is the status of negotiations? How will this be done, and upon what basis will it be done?

Given that there are going to be 15 regions, it seems that they're not going to be able to accomplish very much if they don't have some kind of staff, Mr. Speaker. What we need to know is: will this be a duplication of the existing staff in the minister's department, or will the minister's department be reduced in size so that staffing can be spread out across these regional authorities? There hasn't been any indication whatsoever of how the department will respond to the need for staffing requirements with respect to these 15 regional authorities, although there has been a suggestion that the department is now setting up regional teams within its department structure to respond or to relate to each of these regions. The scary prospect for that is that they might actually be creating even more bureaucracy for the delivery of health care. Are they disbanding hospital boards or aren't they? When are they and how are they going to adjust manpower requirements or manpower deployment within the Department of Health versus the demands for people and staff that will exist within these regional authorities?

There is some real lack of clarity in the Bill with respect to who's in charge. At one point early in the Bill section 5 says that the regional authority "has the absolute and final authority in respect of the provision of health services in the health region." But in section 7 it is indicated that "the Minister may give directions" to the authority regarding "priorities and guidelines." The minister will also oversee the health plan of the region. Section 8(5)(b) gives the minister the power to amend the plan. Who is in charge, Mr. Speaker? How will that apparent contradiction in authority be reconciled?

Section 19(1)(i) authorizes "the Minister, a regional health authority or a community health council to make payments directly to an individual." So the minister can do that through the regional health authority. Does this amount to a voucher system? Will that money follow the individual? How will it be that decisions will be made as to when the money will be paid to the individual? That raises another question, and that is a question of services – such as dialysis, which is offered at the University of Alberta hospital – which have provincewide service implications, certainly northern Alberta service implications. How will one region fund another region which provides such services? Is that

how this voucher system is designed to operate? Will it meet that particular requirement, Mr. Speaker?

1:00

I'm concerned as well with the question of how the relationship will be created between regional health authorities and authorities responsible for education and for social services. Clearly there are no coterminous boundaries with respect to these three areas of service delivery, yet one of the very important features of health care is education. There have been relationships between and amongst public health authorities and schools, and I raise the issue of how exactly will those relationships be structured under an Act that doesn't seem to directly address that matter.

Mr. Speaker, we're happy with regionalization. It's a good idea. We have some very serious concerns about how this government is doing it and what they're trying to slip in behind the scenes as they do it.

Thank you.

MR. SPEAKER: The hon. Member for Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Speaker. Once again, I'm enjoying listening to this debate, and I appreciated the concluding five minutes that the hon. member just spoke to, because I felt at least we were finally getting on to some of the significant issues about health care restructuring.

As I sat here this evening, I received a piece of correspondence that I'd like to review and table perhaps with the House because this comes from constituents who are very much in favour of regionalization, not for the specific concern of what is happening to our health care system, not because of the concern that we are violating the Canada Health Act or creating a two-tiered system, but because quite frankly they want a say in the kind of health care they can access. They would like to see that there would be a commitment to the community health programs that deal with education in nutrition counseling and nonsmoking and fitness, issues that are not necessarily advocated or practised in the acute care training of our medical profession because they have a specific area of health care concern and in this generation we are looking at a more holistic health concern. I just would like to take the time to identify to the hon. member that we should not be so concerned about the implementation of regionalization and the fact that we have fewer people in the north than in the south and that all boundaries have to be equal, because the fact of the matter is that the constituents who need health care should be able to access it. In the regionalization process that is clearly on the table.

Mr. Speaker, I think it's important that we not do fear-mongering on this issue, because our citizens have told us quite clearly that they are not happy with a health care model that deals with acute care treatment only and not with wellness. We need to have that fundamental shift by putting health care at the local level, and this particular model of regionalization allows us to do that.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Mr. Speaker. Bill 20 is a very important Bill. Bill 20 is a Bill that's going to have impact on the lives of Albertans for generations and generations. It's so important that I was expecting that we would see a Bill we could give unanimous consent to. Everybody in this Assembly, I would venture to say, has been approached by somebody at some time or another advocating the importance of regionalization, of moving towards a regional model in health care. I think it's

probably a safe assumption to make that there is pretty even consent on both sides of the House that we have to move towards a regional model of the control of health care.

The difference, Mr. Speaker, between the members on this side of the House, the Liberal opposition, and on the government side of the House is that we want to do regionalization right. It seems that the government doesn't have that same concern. What hypocrisy. There's a medical doctor who's a member of this Assembly who nods his head in agreement and says yes, that's right; doctors are billing for nonessential services, but it's other doctors. What hypocrisy. You have a doctor, a heart surgeon, who goes to the Premier and says: I want to buy a hospital; I want to have private hospitals. He goes to the PC policy convention and says that private health care is good, that we need more commercialization, because you know what Albertans really need? They really need choice. They need the choice to be able to spend their money to get the health care they need, Mr. Speaker. What hypocrisy when that same government says that, oh, we're doing this all within the bounds of the Canada Health Act. What hypocrisy when that policy adviser to this government says: you know what, folks? We've squandered \$300 million in the last number of years on health care. Then this government has the nerve to say: well, we're not responsible for that. And that doctor has the nerve to say, well, somebody else squandered it; it wasn't me. What hypocrisy.

Now we have this Bill to deal with, Bill 20, the first meaningful attempt of this government to restructure health care. And what do we have? We have something called community health councils. They're to be established, but they're not defined. We don't know what their duties are. What's their relationship going to be to the regional authorities? We've got more use of regulations in this Bill than all of the Bills it would replace. Why are we moving towards regulations that are going to be under the minister's control or maybe Executive Council, if this is supposed to be somehow a return of authority to a local community? What hypocrisy. We've got the ability of a health care system to requisition more money from a tax. We've got a government that says, "We're not going to raise taxes," but they expand the ability of the municipality to raise taxes and to requisition. Mr. Speaker, what absolute hypocrisy.

We've got this notion of health plans. Great idea. Should have had them a long time ago. But they're not defined in this Bill. There's no definition of what these health plans will be. You know, Mr. Speaker, when you talk about hypocrisy, let's look at the authority that the good Premier giveth and then the good Premier taketh away. In section 5 of the Bill it says, you know, that these regional authorities will have absolute and final authority. Read a little bit further in the Act. What do you see? The minister can amend a health authority plan at her whim, can amend it and then approve it. She can even go in and determine what services will be needed in addition to or instead of a health authority. What is it? Do we have a return to and a real trust in communities and local decision-making or don't we? They can't have it both ways.

Mr. Speaker, when it comes to the establishment of these health regions, you know, the lack of planning, the lack of thought is just overwhelming, and it should cause every member in this Assembly real concern. Section 2 permits an order establishing a health region. Fair enough. But then let's look at some other legislation. Let's look at section 7 of the Interpretation Act. Section 7 of the Interpretation Act really contradicts this authority given in section 2(b) of this Bill. Now, in fact, this is going to lead to significant complications. What we need is a blueprint that will allow for the orderly transfer of assets and services and

control. You don't have that here in this Bill. In fact, you're going to see confusion like this province has never seen before in health care as a result of this Bill if it's to be proclaimed as it's worded.

Mr. Speaker, the wording between this legislation and other legislation in numerous areas is rife with contradiction. After waiting so long after having The Rainbow Report and the roundtables that the government is so proud of and all the consultations and all the study, you'd think they'd get it right. You'd think they would put something before this Assembly that would at least give us some confidence that they knew what they were doing, that there was in fact a coherent plan and that there was going to be this orderly transition. But no, Mr. Speaker, that's not the case at all.

1:10

Mr. Speaker, section 15, which talks specifically about the minister's powers, gives the minister powers to do things which may not be specifically covered by the legislation. But again the Act says final and absolute authority will be given to these new regional authorities, another contradiction.

Why is it, Mr. Speaker, that these regional health authorities will be set up as corporations? Presumably as corporations they'll have lots of powers. They're supposed to have this final and absolute authority. But you know, in this Bill they're prohibited from making bylaws about their own regulation. Now why is that? Is it because this government is really not going to turn over the control and the authority? Is it really because this is another way of centralizing authority and control over programs for Albertans under the guise of decentralization? That would be my suspicion.

There are a number of other things in this Bill that cause me concern. For example, there is other legislation that is being repealed without any explanation whatsoever. For example, the University Hospitals Foundation Act is to be repealed. It's not explained why. We don't know whether this will be replaced. We don't know what new regulations will replace it and what their purpose will be. We do know that the Lieutenant Governor in Council can make regulations respecting the establishment of foundations to benefit a regional health authority. But we don't know; regulations may also be made not to benefit the authority, to wind up existing foundations. Now, Mr. Speaker, what does this tell us about their plans for the existing assets of these foundations? Well, it doesn't tell us anything at all. It's a big question mark.

Mr. Speaker, the other hospital foundations are going to lose the nature of their own funding and of their asset base as well. What I'd really like to know is: what is this government telling all those Albertans who have made donations to these hospital foundations in good faith, now to learn that by a stroke of the pen this minister, this Premier, this government want to cancel those foundations and do something with their assets, just dump them into some black hole? Who knows? It's certainly not spelled out in this Act. What about the unpaid commitments of the foundation? What about their investments? What about the fund-raising campaigns that are presently in place? What about the discontinuity that this is going to evidence in the whole health care system and in the provision of services through these foundations?

Mr. Speaker, Bill 20 should have provided this Assembly with an opportunity to rally around a good idea, to acknowledge that regionalization is the way to go, and to give Albertans some faith that there is going to be a coherent plan to protect their health care services, the health care services that they've paid for, that they deserve, and that they need. But it didn't. What it did is it let us all down. It's disappointing all Albertans, and it's adding to the confusion, the kind of confusion that we see that is leading

to 15,000 people gathering in a field because they're afraid their health care services are going to be taken away from them in Edmonton. It's leading to a report that says we're going to have to close four hospitals in Calgary, not because of any health needs that we've determined, not because of any abuse or overcapacity, necessarily, that we've determined, but simply because we've got a financial target. We've said we're going to balance the budget. Health provisions be damned; we're going to balance the budget. If it means closing hospitals here, there, and everywhere to meet that target in an arbitrary, unilateral, across-the-board way, then that's the way we're going to do it.

Mr. Speaker, before this Bill receives the consent of this side of the House, it is going to have to undergo some very significant amendments. If it doesn't, then the government is doing a disservice to all of those Albertans who have provided input in good faith to the restructuring of health plans in this province.

MR. SPEAKER: The hon. Member for Bow Valley.

DR. OBERG: Thank you, Mr. Speaker. It's certainly a pleasure that I get to stand to talk to some of the allegations and misinformation that I've heard here tonight. In keeping with several medical theories about small gene pools, it really makes me feel that way. The lack of information about the medical system in this province that I have heard here in the last 40 minutes – there are a lot of medical terms that I could use, but I'm not sure they would be distinguished in this House.

We have traveled across the province and talked to hospital boards in places such as Fort McMurray, who state that it is wonderful, that the process we are doing is going to work well and they will make it work. We have talked to people in Hinton, whom the hon. member across the hall knows were very much in favour of this process.

MR. VAN BINSBERGEN: No, they're not.

DR. OBERG: Well, perhaps he should be more in touch with his constituents.

We have talked to people around the province about how regionalization can benefit health care. [interjections]

MR. SPEAKER: Order. Hon. members, give your colleague a chance to speak.

The hon. Member for Bow Valley.

DR. OBERG: We have seen a health care system in this province and in Canada that has essentially gone unchanged for the last 30 years. We are attempting to put forward a very important principle and a principle that unfortunately the members across the way have not picked up on. They are still firmly believing in the

centralist theory of health care delivery. They believe that the people in Edmonton can deliver health care and know what is best for health care in places like Hinton, in places like Fort McMurray, in places like Brooks. I think that is an example of a very elitist type of thinking.

One of the main concepts that we are putting forward is that the people in the communities know what health care is able to be delivered there. This Bill allows the flexibility for people in the communities – those are constituents; those are people who work with the people in the community – to make the decisions about the health care that is delivered in their area. They are now able under this Bill to make decisions about resources and how they're allocated to meet the needs of the people in their community.

It is appalling the misinformation that I've heard here in the last 40 minutes. You know, personally I am quite embarrassed by it. It's something I certainly hope does not go out further than here because it would be extremely embarrassing to the members who unfortunately made statements earlier. I think it would be extremely embarrassing because they are the health care critics for the Liberal Party, and it would be embarrassing to the health care people out there to hear what they said tonight. As a health care worker in my past life, I just find it appalling. Mr. Speaker, there are just words that I cannot use to describe it, and with that I'll sit down.

MR. SPEAKER: The hon. Member for Bow Valley has something else to say?

DR. OBERG: Yes. I would like to move that we adjourn debate.

MRS. ABDURAHMAN: I had stood up already, Mr. Speaker.

MR. SPEAKER: You weren't recognized, hon. member.

The hon. Member for Bow Valley has moved that debate be adjourned on Bill 20. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Carried.

MR. DAY: Mr. Speaker, I move that we do now adjourn and reconvene in approximately 12 hours and 10 minutes at 1:30 p.m.

[At 1:19 a.m. on Wednesday the Assembly adjourned to 1:30 p.m.]

