

Legislative Assembly of Alberta

Title: **Monday, March 27, 1995**

1:30 p.m.

Date: 95/03/27

[The Speaker in the Chair]

head: **Prayers**

THE SPEAKER: Let us pray.

At the beginning of this week we ask You, Father, to renew and strengthen in us the awareness of our duty and privileges as members of this Legislature.

We ask You also in Your divine providence to bless and protect the Assembly and the province we are elected to serve.

Amen.

head: **Reading and Receiving Petitions**

MR. WHITE: Mr. Speaker, I'd like the petition filed on the 23rd of March to be read and received in the Assembly.

CLERK:

We the undersigned Residents of Alberta petition the Legislative Assembly to urge the Government of Alberta to ensure all Alberta school boards provide the opportunity for each eligible child to receive a minimum of 400 hours of Early Childhood Services instruction per year.

We also request the Assembly to urge the Government of Alberta to allow Alberta School Boards to use money from the Alberta School Foundation Fund to fund 400 hours or more of Early Childhood Services, as determined by the local community, so that there are no ECS user fees for 400 hour programs and so that all Alberta children have an equal opportunity or "level playing field" to succeed and compete in life by having equal access to basic educational resources.

THE SPEAKER: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you, Mr. Speaker. I'm requesting that the petition I introduced on March 23 with respect to early childhood services now be read and received, please.

CLERK:

We, the undersigned Residents of Alberta petition the Legislative Assembly to urge the Government of Alberta to ensure all Alberta school boards provide the opportunity for each eligible child to receive a minimum of 400 hours of Early Childhood Service instruction per year.

We also request the Assembly to urge the Government of Alberta to allow Alberta School Boards to use money from the Alberta School Foundation Fund to fund 400 hours or more of Early Childhood Services, as determined by the local community so that there are no ECS user fees for 400 hour programs and so that all Alberta children have an equal opportunity or "level playing field" to succeed and compete in life by having equal access to basic educational resources.

head: **Introduction of Guests**

THE SPEAKER: The hon. Minister of Municipal Affairs.

MR. THURBER: Thank you. It's a distinct pleasure for me to introduce to you and through you to this Assembly a person who is no stranger to this Assembly. He served as the Sergeant-at-Arms in this Legislature for some six years ending in 1993. He's a Korean War veteran, in the army unfortunately, and a very able

person. The point of humour I'd like to point out to you, Mr. Speaker, before I ask him to rise, is that finally we have agreed that the army has given up, and he now works for the navy. He works for my department, and I really appreciate that. Oscar Lacombe, would you stand and receive the warm welcome of this house.

THE SPEAKER: The hon. Member for Edmonton-Meadowlark.

MS LEBOVICI: Thank you, Mr. Speaker. It gives me great pleasure this afternoon to introduce participants in the Alberta Girls' Parliament, who are holding their 24th session this week. Their theme is protecting our future. What this Girls' Parliament does is it provides an opportunity for young women to learn and participate in our parliamentary system. It's sponsored by the Alberta council of Girl Guides and has representatives from the ranger and cadet programs as well as the 4-H and Junior Forest Wardens. There are 45 aspiring parliamentarians in the members' gallery. They're accompanied this afternoon by Sue Schroder, their adviser, by Heather Martin, Bernadette O'Connor, Kathi DesChêne, Donna Meeres, Heather Parker, and by their honorary Lieutenant Governor of Alberta, Betty Collicott. If they'll please rise and receive the warm welcome of the Assembly.

Thank you.

MR. KIRKLAND: Mr. Speaker, it's my pleasure this afternoon to introduce to you and through you to the rest of the members of the House the mayor of the lovely town of Beaumont, His Worship Ken Kobly, who is in the public gallery. Ken is accompanied by his son Patrick, who is a very active politician at a very young age, about 17, and I'm sure will be the representative for the Leduc constituency one day. They're also accompanied by one of Beaumont's champion athletes Mr. Daniel Robbins, who recently won the gold in fencing at the Alberta Games and more recently won the silver for the under 17 at the Canadian nationals. I would ask all members of the Assembly to warmly welcome the Beaumont residents this afternoon.

head: **Oral Question Period**
Property Taxes

MR. MITCHELL: Mr. Speaker, this government will be increasing property taxes in 25 of the former school districts in this province this spring. It's the start of what we've been told is a three-year phase-in of the uniform mill rate for education taxes. These tax increases will create financial planning problems for businesses and, if they're not handled properly, will make it difficult for some citizens to stay in their homes. My first question is to the Minister of Municipal Affairs. Given the magnitude of change for property owners in some municipalities, will the government commit to a longer phase-in period of, say, five years or more?

MR. THURBER: Mr. Speaker, between the Department of Education, the Department of Municipal Affairs, and Treasury we are now dealing with that problem. We know that there are some equities that have to be achieved out there as we go to a level playing field for the funding of education in this province. We haven't determined fully whether it should be a three-year period or whether it should be longer in some cases that are necessary.

MR. MITCHELL: That's a reassuring answer, Mr. Speaker.

Will the minister commit to release a full timetable and schedule of rate increases, whatever the phase-in period, so that businesses, taxpayers, and municipalities have the information on which to plan ahead?

MR. THURBER: Well, Mr. Speaker, there's a large amount of the municipalities that will actually achieve lower mill rates as we go through this process, and that is the majority of them. But certainly in the interests of open government this will all become very public in the fullness of time.

MR. MITCHELL: That's not such a reassuring answer, Mr. Speaker.

What contingency plan has this government in place for those citizens, especially senior citizens, Mr. Speaker, who may lose their homes due to an inability to absorb the higher taxes levied by this government? Some seniors may see their taxes go up as much as 300 or 400 percent in a very short period of time.

MR. THURBER: Well, I guess, Mr. Speaker, that if there are particular incidents out there where people are falling through the cracks because of some tax hike purported by the Liberals, we would like to know about the specifics of that, and we will deal with that. It's never the intent of this government to penalize anybody on this type of thing. There needs to be equity funding throughout the education system, and that's the end goal that we're working towards.

School Taxes

MR. MITCHELL: Mr. Speaker, Catholic parents are concerned that the right of ratepayers to direct their property tax to the school system of their choice is being threatened by this government. They are concerned that people might actually have to lie about their religion in order to ensure that their taxes would be paid to the Catholic system in their area. To the Minister of Education: can the minister assure all ratepayers that they will be able to direct their local property taxes to the separate or public school board they choose, regardless of their own faith?

1:40

MR. JONSON: Mr. Speaker, certainly there is the provision, as the hon. member across the way well knows, for separate school jurisdictions who choose to opt out of the Alberta school foundation fund and to collect taxes from their declared supporters. We do not in any way have anything in place, nor do we want there to be, which would require property tax payers to be other than truthful. Certainly that is the case. That is the way the system is built, and that's what's in place.

MR. MITCHELL: Mr. Speaker, if that remains the case, then perhaps the Minister of Municipal Affairs could explain to Albertans who support a specific system why the question in the municipal enumeration on school residency is being changed to make that direction much, much, much less clear?

MR. THURBER: Well, Mr. Speaker, I don't think it is that much less clear. It clearly provides for the provision of those assessments to be directed towards either the separate school system or the public system.

MR. MITCHELL: It actually, very clearly in fact, Mr. Speaker, doesn't say that at all.

Why did the Minister of Municipal Affairs not get approval or concurrence of the Catholic school trustees before changing this very important municipal census question?

MR. THURBER: Well, Mr. Speaker, again, the Minister of Education and members of the Municipal Affairs staff have been dealing with the separate schools and the public schools on this issue for quite some time.

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

Catholic School System

MR. HENRY: Thank you very much, Mr. Speaker. With open boundaries in education parents can choose to send their children to the public or separate school of their choice. About 7 percent of the students currently enrolled in the Catholic system are indeed from families who do not practise the Catholic faith. I'd like to ask the Minister of Education: why has he refused the Catholic requests to guarantee that Catholic schools can continue to teach Catholic philosophy and pedagogy either in the legislation or to provide that guarantee in regulations? Why has he refused to do this?

MR. JONSON: Well, Mr. Speaker, in our development of legislation and in the legislation that has existed in this province in the past, we have made every effort to make sure that our legislation adheres to the constitutional requirements as they apply to either separate or public schools as dimensions of the public school system, and that is what we're following. There is nothing different involved here. As the separate school boards of this province – that is, the Alberta Catholic School Trustees' Association – have indicated, they want to make sure that we adhere to constitutional requirements, and we are doing so.

MR. HENRY: That's a matter of interpretation, and the courts will decide that.

Mr. Speaker, could the minister explain why in his proposals for charter schools schools are allowed to demand that parents adhere to a particular education philosophy, yet he's not willing to explicitly state that in regulations or in legislation for the Catholic system? Why the double standard here?

MR. JONSON: Mr. Speaker, with respect to the methodology, the philosophy of instruction that is used in a particular school, we have in the School Act right now I believe section 16, which allows for some flexibility and alternative approaches to instruction, to methodology. That, of course, would also be part of the dimension of charter schools. There'd be even more latitude in that regard provided for charter schools. Charter schools can be established by separate school boards or by public school boards in this province. There's no difference there.

MR. HENRY: Mr. Speaker, the question is not with regard to the offering but the requirement of adherence to a philosophy.

I'd like to ask the minister again: why is he allowing his department to explicitly state that charter schools can require parents to adhere to a particular philosophy, yet he is not willing to put that into legislation or regulations explicitly for the Catholic system?

MR. JONSON: Mr. Speaker, as the hon. member across the way knows, we have not yet finalized the policy and regulations with

respect to charter schools. I'd like to just re-emphasize for the hon. member across the way that with respect to a particular philosophy of instruction or a particular approach to methodology, there is that alternative in the School Act right now, and there'll be greater latitude provided with charter schools. They can be established in either the separate or the public school system.

THE SPEAKER: The hon. Member for Pincher Creek-Macleod.

Trade Mission to Texas

MR. COUTTS: Thank you, Mr. Speaker. Many of my constituents are involved in the creation and the promotion of economic development, and many more rely on and are involved in the many and varied resource industries in our fine corner of this province. Because of this interest in the Alberta advantage I have been informing my constituency of the objectives of the recent trade missions that this government initiates, the most recent of which, an Alberta delegation including the Premier, the Minister of Energy, and the minister responsible for Economic Development and Tourism, went on a well-publicized trade mission to Texas. Can the Minister of Energy indicate this afternoon whether the objectives of the mission were realized?

THE SPEAKER: The hon. Minister of Energy.

MRS. BLACK: Thank you, Mr. Speaker. The objective of the mission was clearly to sell the advantages of doing business in Alberta. I'm pleased to report that the objectives of the mission were in fact achieved. We found this to be a very successful mission. In fact, it was the first mission under the auspices of the Alberta Economic Development Authority which clearly brought together not only government officials but business-sector people to go down and sell the advantages of doing business in Alberta.

A number of things were achieved by promoting this. We were able to have a bonding and a partnership relationship develop with the people from Texas in all aspects of business, not only in the oil and gas sector and the petrochemical business. Most importantly, Mr. Speaker, the Canadian business leaders that came along on the trip were very satisfied and very gratified that they had been included in this partnership arrangement with the linkage to counterparts and investment communities within Texas, in forming this relationship.

I might add, Mr. Speaker, that today Economic Development and Tourism officials are still down in Houston participating in the trilateral conference of chambers of commerce of North America. That includes Canada, the United States, and Mexico. They'll give a full report when they return from that trilateral conference.

MR. COUTTS: I understand that a portion of the trip was an Alberta advantage seminar in oil and gas and petrochemicals. Did the seminar result in new business opportunities for Albertans?

MRS. BLACK: Mr. Speaker, I think one of the most exciting things was the Alberta advantage seminar that took place on Friday morning. I had the privilege along with my colleague the minister responsible for Economic Development and Tourism of being the moderator of two concurrent seminars, one on the energy side and one on the petrochemical side. Again, the panel members that participated in these seminars I think added so much to the salesmanship, the selling of doing business in Alberta.

Briefly, I'd like to just say that on the energy side we had as one of the panel members Mr. Rick George, who is the president

of Suncor, along with Rob Peters, the chairman of Peters & Co. from Calgary, Gerry Protti, the president of the Canadian Association of Petroleum Producers, Mac Van Wielingen, president of Powerwest Financial Ltd., and George Watson, president of TransCanada PipeLines. Those were the panel members that were able to present a number of ideas not only on opportunities but on what the future holds in the energy side through a partnership and link-up in Alberta with people from Texas.

1:50

Now, Mr. Speaker, on the petrochemical side, that my colleague the hon. minister responsible for economic development chaired, we had Mr. Boyd Anderson, the vice-president of NGL and crude oil for Amoco Petroleum, Mr. Jean Bélanger, the president of the Canadian Chemical Producers' Association, Mr. Dan Boivin, the president of Novacor Chemicals Ltd., and Don Cattran, the vice-president and general manager of western Canada operations of Dow Chemical Canada. What happened was clearly that these groups were able to present the future and the potential perspective for doing business with Albertans in Alberta.

MR. COUTTS: Then what benefits will my constituents and all Albertans receive as a result of this trip, Mr. Speaker?

MRS. BLACK: Mr. Speaker, it would do the opposition well to listen to benefits. What happened was clearly that the participants, whether they were from the business sector or from the government side, were able to talk about the advantages of doing business in Alberta. We were able to stand there and brag about not only the opportunities in our natural resources but in our people, the skills that our people have, the expertise and the knowledge, and where that can couple together with Texan firms. The advantages come from where we were able to go down as the government side and reassure businesses of a framework that was conducive to investment and development within the province of Alberta. I daresay that from the contacts and the business meetings that we had directly and that our business community had directly and that our university representatives had directly, you'll see some definite benefits not only on the investment side but in job creation and economic development within the province of Alberta very shortly.

THE SPEAKER: The hon. Member for Calgary-Buffalo.

Immigration Policy

MR. DICKSON: Thank you, Mr. Speaker. Many Albertans are concerned about this government's new secret immigration policy. My question is to the minister of advanced education. Will the minister confirm that his secret policy will have the effect of closing the door to immigrants that don't speak English?

MR. ADY: Mr. Speaker, that has to be the easiest question I've ever had in this Assembly. Absolutely not.

THE SPEAKER: The hon. member, supplemental question.

MR. DICKSON: Thanks, Mr. Speaker. Will the minister confirm that his proposal will close the door to immigrants who are coming to join family members already in Alberta?

MR. ADY: Mr. Speaker, the questions only get easier. First of all, the federal government has paramountcy on those kinds of decisions. There is a clear policy in place that there is a family

category, and to my knowledge the only proposal to change that that has been publicized has been publicized by their mother government from Ottawa, which indicates that they would perhaps like to put grandparents into a different category, not to say that they would be excluded, but they would be treated under some different category than presently, where spouses and children are allowed in under a very lenient category with the federal policy.

MR. DICKSON: I didn't hear a no, Mr. Speaker.

My final supplementary question is: will the minister inform all Albertans by tabling his proposal before not after he starts striking a deal with Ottawa?

MR. ADY: Mr. Speaker, if the member wasn't sharp enough to get a no out of that answer, let me give it to him. We have no intention of precluding or indicating to the federal government that there should be no category for families to join family members in this country. That's not at all part of any agenda that we have. I want to be very clear on that.

So what the member is really concerned about is the fact that we are preparing a position to go and negotiate with the federal government to develop an immigration policy in conjunction with them. They're anxious to have that completed just as we are, and we're going to move forward with it. As soon as we have it completed, we'll be entering into negotiations.

THE SPEAKER: The hon. Member for Medicine Hat.

Gun Control Legislation

MR. RENNER: Thank you, Mr. Speaker. Albertans continue to be concerned with proposed federal gun legislation. Considerable debate has already taken place with respect to gun registration, its associated costs, and its intrusion into the lives of responsible gun owners. Today I want to address the issue of confiscation of personal property without compensation, specifically gun collections. Can the Minister of Justice advise this House if personal property rights, whether implied or guaranteed, would prohibit such confiscation?

MR. EVANS: I don't want to get into a legal opinion, Mr. Speaker, and I will certainly adhere to your ruling. On the general issue of personal property rights, though, I would indicate to the hon. Member for Medicine Hat that if we get into a situation at some point where the debate is held between provincial legislation and Criminal Code legislation, if there's found to be a conflict, it's very clear from Supreme Court of Canada decisions and other lower courts in Canada that on matters of criminal law the federal government is supreme and that in terms of any conflict with an existing criminal law in provincial legislation, that provincial legislation would not be enforceable.

THE SPEAKER: Supplemental question.

MR. RENNER: Thank you. Keeping in mind that the legislation proposes to restrict ownership of personal collections acquired at a cost of thousands or even tens of thousands to the life span of the owner, will the Minister of Justice stand up to the federal government to ensure that the property rights of Albertans are protected?

THE SPEAKER: The hon. minister.

MR. EVANS: Thank you, Mr. Speaker. I have been reviewing this issue of Bill C-68 and in particular the universal registration requirements in that piece of legislation with members of my staff, with my colleagues on both sides of the House quite frankly, with Albertans generally. Without question I am not in a position today – nor would I feel comfortable – to eliminate or discount any possible remedy that we as a province would have with respect to this federal legislation if it goes through the way that it has been proposed. I do think that it is based on a process which does unnecessarily restrict the reasonable and legitimate rights of law-abiding gun owners in this country, and I have made that point with my federal colleague in Ottawa. I am going to continue to make that point, unless I'm advised of some specifics that indicate that this legislation is going to make our communities safer and reduce serious and violent crime and unless I am given some evidence that the \$85 million that he suggests this legislation would cost is being put to good purpose. Thus far I have not seen that to be the case.

MR. RENNER: Is the minister considering now or is he willing to consider amending provincial legislation to further protect the individual property rights of Albertans?

MR. EVANS: Well, again, Mr. Speaker, we're not discounting or eliminating any potential recourse that we may have. I've heard from many Albertans who have said to me that property rights are important, not only on this issue but on a number of other issues related to the jurisdiction of the federal and the provincial governments. We will look at all of the possible remedies, the possible applications, the possible alternatives available to us as a province, and I assure the hon. member and members in this House on both sides that I will give this matter continuing attention.

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

Health Services Restructuring

MR. SAPERS: Thank you, Mr. Speaker. The Premier has made some startling comments regarding his willingness to sell off Alberta's health care system to American interests. Will the Minister of Health please advise which will come first: American companies buying tax-funded assets at fire-sale prices or wealthy Americans displacing Albertans in hospital waiting lines?

2:00

MRS. McCLELLAN: Well, Mr. Speaker, I think we've really hit an all-time . . .

AN HON. MEMBER: Low.

MRS. McCLELLAN: Yeah, maybe.

Mr. Speaker, I'm absolutely amazed by the opposition member's comments on the American system and any relationship that we might have with it. If we did not have a relationship with the Americans, medical research and pharmaceutical research and indeed some of their very specialized hospitals, we would not have the advances in this province, in this country that we have today. I think that rather than looking in fear and askance every time we discuss an issue with the people to the south of us that we share a common continent with, we should look at what benefits we can both reach from joint venturing; for example, the opportu-

nities in research that can be shared between the two countries that have proved to be very beneficial in the past.

Mr. Speaker, we've said consistently: we are not looking at Americanizing our system in Alberta or in Canada. However, that's not to say that we cannot have agreements and co-operation between the two countries, two countries that have highly specialized and highly talented researchers and scientists. We should applaud every effort that we can make to work together and to co-operate with our neighbours to the south.

THE SPEAKER: Supplemental question.

MR. SAPERS: And maybe we'll get an answer.

Will the Minister of Health confirm that she has done absolutely nothing to prevent American business from buying and operating Alberta hospitals?

MRS. McCLELLAN: Mr. Speaker, again, I'm just quite amazed at the comments. First of all, if an American company were to inquire about a building that had been used or that was available, they would do that through the regional health authority wherever that building was situated. So that would be the appropriate place to have that discussion.

It may come as a big surprise to the hon. member, but, you know, actually people from Alberta do go to the United States for health services at times. We send them. Indeed we do service Americans in our system in Alberta at times. There has been that flow occur. The private sector has been operating in health in Canada and in Alberta for some time, and they've done an admirable job of serving our communities. We should support those efforts, not try and cast some smear on them.

MR. SAPERS: Other than hiding behind the North American free trade agreement, maybe the minister can tell us what rules she has put into place to prevent American business from setting the standard for health care in Alberta?

MRS. McCLELLAN: Mr. Speaker, the questions just continue to . . .

AN HON. MEMBER: Get worse.

MRS. McCLELLAN: Well, yeah, they do.

Mr. Speaker, the standards for health care in this province are set in this province, and they will continue to be set in this province for the people who receive services in this province, wherever they are from.

THE SPEAKER: The hon. Member for Olds-Didsbury.

Child Welfare

MR. BRASSARD: Thank you, Mr. Speaker. Some time ago the Children's Advocate made some very significant recommendations to the Minister of Family and Social Services. A commissioner was appointed, who reviewed those recommendations and felt very strongly that many of these children's services could best be delivered by the community itself rather than by government. To the Minister of Family and Social Services: could you please inform this Assembly exactly what you have done in response to these recommendations?

THE SPEAKER: The hon. Minister of Family and Social Services.

MR. CARDINAL: Thank you very much, Mr. Speaker. That is a very good question. When the commissioner did the final report, in that report there was an outline of what would happen in the next three years with that particular program. It also included in that plan that we would be concentrating on early intervention programs and also on more involvement with the aboriginal community in relation to the culturally sensitive services to that particular community and the dollars that are required to make sure that happens. In the last six weeks, actually, over 61 meetings were held across the province, and I believe that over 3,000 people attended those meetings, which is an average of over 50 individuals per meeting. I know the issue was brought up in the House before by the opposition, that we should have advertised that particular program, Mr. Speaker, but we didn't. We used the resources in our department to do it. It would have cost us close to \$50,000 in fact to advertise it as suggested. We did it for under \$2,500.

MR. BRASSARD: Mr. Minister, just how do you see this participation in these meetings translating into meaningful involvement?

MR. CARDINAL: Mr. Speaker, the reception from the public out there is really good. More than 3,000 Albertans in fact attended the meetings that were held across the province, and close to 700 individuals have volunteered to assist in local work groups to start working on designing how the delivery system will be held locally. I think it's definitely a good step in the right direction, and it's well accepted.

MR. BRASSARD: Mr. Minister, do you now have a committed plan in place, or is this community input going to be ongoing?

MR. CARDINAL: Of course, Mr. Speaker, I've always said in this Assembly that the government will never be a good parent. Therefore, the sooner we move that particular process back to the family, the extended family, and the community, the better off the children will be as far as the care. We will continue working, and now in fact we are in a process of recruiting some aboriginal commissioners to work particularly with the aboriginal community because half of the children in care are of aboriginal ancestry. I know the process has been very successful to date, and I look forward to it being more successful, especially with the aboriginal community, in the future.

THE SPEAKER: The hon. Member for Edmonton-Meadowlark.

Right-to-Work Legislation

MS LEBOVICI: Thank you, Mr. Speaker. Right-to-work legislation is a misnomer and has little to do with a person's right to work or with providing an environment where jobs can be created. Studies, including one undertaken by the provincial Department of Labour, have shown that right-to-work legislation will be of no economic benefit to Alberta. My questions are to the Minister of Labour. As the government is undertaking a study of right to work, what steps have you taken and will you take to ensure that there is fair representation on the panel studying right to work?

MR. DAY: Mr. Speaker, as a result of freedom of speech being exercised in this Assembly, a private member brought forward a motion asking that the Assembly give direction that this issue be studied with the most up-to-date figures available. Members voting in the Assembly on a free vote accordingly voted that that should happen. That's why there is a study. Yes, I can assure the member that as we put together a nongovernment group of people to look at this area and to look at the most up-to-date material that's available, in fact it will be a balanced group of individuals representing labour, business, and the public.

MS LEIBOVICI: Will this panel be required to conduct public hearings, and will all the information be tabled in the Legislative Assembly?

MR. DAY: I can assure the member that all material will be tabled in the Assembly, but the motion did not ask for an expensive series of public meetings around the province, travel, or anything else. I do not anticipate that that will happen.

MS LEIBOVICI: Is the minister, then, prepared to tell us how much money has been allotted for this panel and what the time line is for completion?

MR. DAY: Anything that happens, Mr. Speaker, I anticipate would have to happen with existing resources. Again, the motion did not ask for extra money to be allocated to this particular effort, and I don't anticipate that any extra money will be. It will have to be done with existing resources.

THE SPEAKER: The hon. Member for Taber-Warner.

Grain Marketing

MR. HIERATH: Thank you, Mr. Speaker. It has been quite obvious for some time that fundamental changes are needed in the way that we market certain agricultural products in Canada if farmers are going to be able to continue to prosper in today's new trading environment. Last fall the federal minister of agriculture announced that he would be forming a blue-ribbon panel to investigate grain marketing in Canada to determine what should be done to our current regulatory system – namely, the Canadian Wheat Board – to ensure that the needs of prairie farmers are met. Can the Minister of Food, Agriculture and Rural Development advise as to what the findings of this panel have been to date?

2:10

THE SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

MR. PASZKOWSKI: Thank you, Mr. Speaker. Yes. The reporting will be very quick and very simple. There have been no findings, and it's very unfortunate. As a matter of fact, the members of the panel have not yet been even identified. So to date, unfortunately, as far as the blue-ribbon panel is concerned, there is nothing to report whatsoever.

MR. HIERATH: Has the minister met or attempted to meet with the federal minister to get this process moving?

MR. PASZKOWSKI: Yes, we have discussed this with the federal minister, as well as many other pressing issues unfortunately, Mr. Speaker. We've talked about transportation, the

changes to the Wheat Board, the restructuring of the Wheat Board, car allocation, labour unrest, and we've just gone through another issue that finally has got resolved again at a very, very great expense to our production community. What we really, really have to do is know what the federal minister is thinking in terms of. What we really have to know is: just what are the objectives of the federal minister? Unfortunately, to date we haven't been able to get a clear definition of that.

MR. HIERATH: Given the apparent indifference of the federal government to this critical issue, what is the provincial government prepared to do with regards to holding a producer plebiscite to achieve true marketing options for Alberta grain farmers?

MR. PASZKOWSKI: Mr. Speaker, I've instructed the Alberta Grain Commission, who will be communicating with the industry in the development of the strategy that will be needed for the reforms to the Canadian Wheat Board and to the marketing of grain as far as the continental market is concerned. The initial meetings will be happening hopefully within two weeks. It's our intention to move our direction in this province as quickly as possible, and it is our intention to do everything in our power to see that a continental market will be put in place and put in place as quickly as possible.

THE SPEAKER: The hon. Member for Redwater.

Logging on Private Land

MR. N. TAYLOR: Thank you, Mr. Speaker. This is to the minister of environment and forestry. Although the minister has finally announced that he's taken a tough line on stealing logs from Crown land, this must not detract from the major issue; that is, environmental damage and lack of rules for logging on private land. A month ago, on February 27, in this Legislature I drew attention to clear-cutting and a real mess on five square kilometres of the Gold Creek area in the Pincher Creek area. My question to the minister is: has this area been examined by an expert trained in fisheries, and when will the Legislature receive an answer to what you promised me a month ago?

THE SPEAKER: The hon. Minister of Environmental Protection.

MR. LUND: Thank you, Mr. Speaker. With regards to the specific site that the hon. member is mentioning, I would have to find out exactly what the report has got to say, and I'll undertake to do that for the hon. member.

THE SPEAKER: Supplemental question.

MR. N. TAYLOR: Thank you. To help the hon. member, it's in the Crowsnest Pass. In the February 27 *Hansard* you said that you would have a report for me. Just thought I'd remind you again.

Secondly, through the Speaker to the minister, private logging is going to continue this summer as many of the areas are close to roads. When will the Premier's appointed committee of three ministers – Hear No Evil, See No Evil, Speak No Evil; remember? – report on their recommendations concerning logging on private land?

MR. LUND: Well, Mr. Speaker, of course there was some preamble there that suggested that I didn't know what area he was talking about. I'm very familiar with the original from February

27 and the Wood Preservers that were involved in that harvesting, so we will be following up on that.

As far as the report, the committee is working on a number of alternatives. As I indicated to the hon. member last week, in fact one of the things we are implementing as quickly as possible is a new permit system that will assist us greatly.

Incidentally, the hon. member made some comments earlier too about environmental damage. Yes, Mr. Speaker, we take any environmental damage very seriously. We are currently investigating eight specific sites where we are concerned that there might be some environmental damage.

THE SPEAKER: Final supplemental.

MR. N. TAYLOR: Yes, Mr. Speaker. It's again along the line of private logging and small operators. What will the minister do to ensure that small operators like Shake Masters, who are running short of feedstock, have access to more Alberta logs?

MR. LUND: Mr. Speaker, we have a lot of sympathy for the problem that Shake Masters have found themselves in. They relied very heavily on CTPs and on the private wood that was available. Now with the much increased price because of the export to B.C., they're finding themselves in a very awkward position where they feel they cannot afford to buy the CTPs and the private wood is outside their reach. Now we are looking at possibly revamping the MTU wood program so that small operators would have some security and have that security at a price they could afford.

THE SPEAKER: The hon. Member for Bow Valley.

Beef Imports

DR. OBERG: Thank you, Mr. Speaker. The constituency of Bow Valley is the largest cow/calf producer and second largest feedlot producer in Alberta. Consequently the decision to unilaterally issue supplemental import beef permits above the GATT-negotiated 76,409 tonnes has serious impacts. The Canadian slaughter and boning industry has been put in a precarious position relative to expansion and job creation due to the federal minister's decision. To the minister of agriculture: what action is Alberta planning to undertake to stop the issuance of any further supplemental import permits?

THE SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

MR. PASZKOWSKI: Thank you, Mr. Speaker. It is indeed a sorry state of affairs where we're two months into the year and we're out of tariff quota with the new GATT agreement that we have put together. I have already written to the federal minister expressing concerns on behalf of the province and on behalf of the industry. Obviously I pointed out to them that it's very unfortunate that what we really have is – a bureaucratic mess is what we have, because as far as quota allocation is concerned, the original quota allocation was more than adequate. Unfortunately the way it was allocated, the allocation and the tariff quotas are all used up two months into the year, hardly responsible action. Certainly I still believe that the allocation system has to be fixed before this process is going to work. It appears that the bureaucracy is going to have to have some additional input from the industry and responsible people, because the way this was handled was a very, very unfortunate process.

THE SPEAKER: Supplemental question.

DR. OBERG: Thank you, Mr. Speaker. Will the minister commit to actively lobby his federal counterpart to ensure that these supplementary import permits do not become ongoing entitlements?

MR. PASZKOWSKI: Yes, Mr. Speaker, I certainly intend to continue to lobby the federal minister to ensure that the supplementary quotas are fair and are responsible in the way that the allocation takes place. We must also be careful with our agreement with our neighbour to the south that we don't impose any supplementary quotas on our American neighbours as well. There is a sensitivity here in our relations with the United States market, which of course we have to be careful and honour. So I'll continue to press the federal minister certainly with our position and with the position that the industry is representing as well.

THE SPEAKER: Final supplemental.

DR. OBERG: Thank you, Mr. Speaker. Will the minister commit to actively lobby his federal counterpart to tie the number of supplementary import permits to production trends in competitive products produced in Canada? For example, if boneless manufacturing beef output increases, the volume of supplementary import permits would be decreased.

2:20

MR. PASZKOWSKI: I'll not want to establish such a correlation, Mr. Speaker. We have in Alberta a very, very successful industry. As a matter of fact, the meat industry is something like 50 percent of our agricultural production at the present time, and this is indeed a true sign of growth and a true sign of ongoing success. Both cattlemen and packers are committed to market forces, both in theory and in practice.

What we will lobby against is unfair practice, and what we will lobby for is to see that the bureaucratic process is properly structured and properly administered. I think once we achieve that, we'll have a successful agreement in place which will look after the industry's needs, that will look after our cattle producers' needs, and certainly not infringe or impose upon our relationships with our trading partners.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

Seniors' Programs

MRS. HEWES: Thank you, Mr. Speaker. Now we're tracking yet another sad indicator of the suffering caused by the government's shortsighted cuts to seniors. The opening of a food bank at a Canadian Legion in Calgary-Elbow, of all places, provides our province with an embarrassing first. We're the first province where the Legion has had to open a food bank for the senior veterans who are left reeling under the cuts imposed by this government. My questions are to the minister responsible for seniors. Will the minister now review the income thresholds of the Alberta seniors' benefit and raise those thresholds to a level that allows seniors to sustain themselves?

MR. MAR: Well, Mr. Speaker, we're always looking at and monitoring and reviewing our programs to make sure that people aren't falling through the cracks. With respect to the Legion specifically, any senior in Canada who has lived here for more

than 10 years, regardless of war service or not, is eligible for federal and provincial benefits, and that includes old age security of course, guaranteed income supplement, and the Alberta seniors benefit. Over and above that, veterans who receive long-term disability as a result of war action are given an additional benefit which is not based on their income, and that is not counted in the calculations for the Alberta seniors benefit.

MRS. HEWES: Clearly the costs outweigh the benefits. Why else would they have to open a food bank?

Mr. Speaker, my supplementary to the minister is: will the minister now stop dragging his feet and put in place a seniors' appeal process that deals with housing and health care and disposable income? Get an appeal process in place.

MR. MAR: As I recently announced, we are going to be having an appeals process, and of course we are concerned about cumulative impacts in the areas of housing and health. To that extent, Mr. Speaker, I'm constantly meeting with my colleagues from other departments to make sure that when we do make changes to our programs, we do take into account cumulative effect.

MRS. HEWES: Just get it going.

Mr. Speaker, will the minister at the very least undertake to sit down with this Legion to determine the particular and unique needs of Alberta's veteran population and find out why they have to resort to a food bank?

MR. MAR: Mr. Speaker, I do meet with seniors' groups on a regular basis, but it's usually as a result of somebody writing me a letter and asking me for such a meeting. If the Legion were willing to send me such a letter and request such a meeting, then I'd be happy to do so.

THE SPEAKER: The hon. Member for Sherwood Park.

Bow Valley Development

MR. COLLINGWOOD: Thank you, Mr. Speaker. In its December 1993 report on the Three Sisters development the Natural Resources Conservation Board recognized the importance of protecting wildlife habitat and wildlife corridors in the Bow corridor. They not only required the protection of Wind Valley but the establishment of a regional ecosystem advisory committee to consider the protection of wildlife from the cumulative effects of development in the Bow corridor, including the Limestone Valley resort development at Dead Man's Flats that's now being considered. My question is to the Minister of Environmental Protection. Why is it that two years later we are still waiting for the task force to be set up, which was a condition imposed by the NRCB?

MR. LUND: Mr. Speaker, that was not a condition of the NRCB. We are looking at establishing such a task force. I believe that the wildlife corridors and the things that the hon. member mentions relative to wildlife are very important, and we will be looking at all of those. Currently through our staff we are doing some work in that area, looking at the wildlife corridors, and I'm seriously considering the setting up of the committee that the hon. member referred to.

THE SPEAKER: Supplemental question.

MR. COLLINGWOOD: Thank you, Mr. Speaker. Let's get on with it.

My supplementary question to the same minister: will the minister join the Bow Valley study that was set up by the federal government and has been requested by the town of Canmore in a resolution that I'm now tabling?

MR. LUND: Well, Mr. Speaker, I don't know what it is the hon. member is tabling once again, but as far as Alberta becoming part of the federal committee that has been set up under Dr. Page - I think that's the one the hon. member is referring to although I haven't had the opportunity to see what it is he filed - no, we will not be participating. We will have an observer at the table, but we are not going to become part of it. We don't want to interfere with the federal government's jurisdiction anymore than we would want them to interfere with ours.

THE SPEAKER: Final supplemental.

MR. COLLINGWOOD: Thank you, Mr. Speaker. The town of Canmore wants you to get involved in that study.

My supplementary question to the same minister: if the minister is not prepared to look at the issue of cumulative effects on wildlife in the Bow Valley corridor, which was part of the federal study, will he at least acknowledge that the Limestone Valley resort project at Dead Man's Flats is a reviewable project and will be reviewed by the Natural Resources Conservation Board?

MR. LUND: Mr. Speaker, I don't know where the hon. member gets the notion that we're not prepared to look at the cumulative effect of development in the Bow corridor. That has never been our position, and it isn't our position. As I said earlier, we are looking at the wildlife corridors. As a matter of fact, when I was in the town of Canmore, I met with the town council, and we talked about that very issue.

THE SPEAKER: Order please. The time for question period has expired, and the Chair would like to say how pleasant it was today for the Chair at least. I hope that all hon. members enjoyed the reduced noise level. The practical result of this has been that 14 questions were dealt with leaving only two members on deck. In any event, I hope this is a harbinger of a new resolve on hon. members' part.

When we met last Thursday, the hon. Member for Calgary-Shaw indicated that he wished to consider a possible question of privilege. The hon. Member for Calgary-Shaw.

Privilege Factual Accuracy

MR. HAVELOCK: Yes. Thank you, Mr. Speaker. As recorded in *Hansard* on March 23, 1995, the hon. Member for Clover Bar-Fort Saskatchewan made some comments regarding my being on the payroll with GWE, that that might be one of the reasons why Bill 15 had been continued and actually not pulled. What I did since that time is I spoke with the company who was my employer prior to the election and asked them to forward to me a copy of a letter indicating what the extent of my involvement was with that company. I will table this letter.

What I would like to do is simply explain to the House briefly what the contents of the letter are. I was employed as vice-president of sales and marketing from the period April 1, 1992, to July 3, 1993. Also, for a concurrent period my company,

which I own 100 percent, by the name of Jeslor Inc. was also retained to provide consulting services. The relationship terminated on July 3 of 1993, and any moneys received either by myself or by my company after July 3 of 1993 were related only to the term of employment or the contract for April 1 of '92 to July 3 of 1993. The letter also indicates that since that date I have not represented the company in any way, nor have I ever owned any interest in GWE Group.

2:30

What I subsequently did after receiving that letter was contact the Member for Clover Bar-Fort Saskatchewan and explain the circumstances. She quite graciously recognized that her remarks perhaps were inaccurate. She has since provided me with a written apology, which indicates that she's retracting the statement she made in relation to the question that would have been taken to suggest my association with GWE Group was in any way a factor in the continuation of Bill 15. She also recognized that her statement was inaccurate in its content, that she did not wish to impute my motives as a Member of the Legislative Assembly, and she offered her sincere apology.

What I would like to do, Mr. Speaker, is simply table copies of that letter also. I appreciate the Member for Clover Bar-Fort Saskatchewan recognizing her error. I think it was the classy and appropriate thing to do, and for that reason I don't wish to pursue the matter any further.

Thank you.

head: **Orders of the Day**

head: **Royal Assent**

MR. DAY: Mr. Speaker, His Honour the Lieutenant Governor will attend upon the Assembly.

[The Government House Leader and the Sergeant-at-Arms left the Chamber to attend the Lieutenant Governor]

[The Mace was draped]

[The Sergeant-at-Arms knocked on the main doors of the Chamber three times. The Associate Sergeant-at-Arms opened the door, and the Sergeant-at-Arms entered]

SERGEANT-AT-ARMS: All rise, please. Mr. Speaker, His Honour the Honourable the Lieutenant Governor awaits.

THE SPEAKER: Sergeant-at-Arms, admit His Honour the Lieutenant Governor.

[Preceded by the Sergeant-at-Arms, His Honour the Lieutenant Governor of Alberta, Gordon Towers, and the Government House Leader entered the Chamber. His Honour took his place upon the throne]

HIS HONOUR: Please be seated.

THE SPEAKER: May it please Your Honour, the Legislative Assembly has, at its present sitting, passed certain Bills to which, and in the name of the Legislative Assembly, I respectfully request Your Honour's assent.

CLERK: Your Honour, the following are the titles of the Bills to which Your Honour's assent is prayed.

No.	Title
2	Advanced Education Statutes Amendment Act, 1995
4	Medical Profession Amendment Act, 1995
12	Marketing of Agricultural Products Amendment Act, 1995
13	Bee Act
14	Irrigation District Rehabilitation Endowment Fund Amendment Act, 1995

CLERK: These are the Bills to which Your Honour's assent is prayed.

[The Lieutenant Governor indicated his assent]

CLERK: In Her Majesty's name His Honour the Honourable the Lieutenant Governor doth assent to these Bills.

SERGEANT-AT-ARMS: All rise, please.

[Preceded by the Sergeant-at-Arms, the Lieutenant Governor and the Government House Leader left the Chamber]

[The Mace was uncovered]

THE SPEAKER: Please be seated.

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

Bill 11
Students Finance Amendment Act, 1995

THE SPEAKER: The hon. Member for Calgary-Fish Creek.

MRS. FORSYTH: Thank you, Mr. Speaker. I rise to move second reading of the Students Finance Amendment Act, 1995.

This Bill will allow the Students Finance Board to award financial assistance to students in private institutions who are taking programs that are available at public institutions. The existing legislation puts private institutions at a disadvantage because it allows their students to be considered for student financial assistance only when the programs they are taking are not available in the public sector. The Bill therefore promotes a more level field between public and private institutions.

2:40

The Bill will also enable the board to consider program quality as determined by the department's evaluation of programs. Both departmental and student funding would be provided with respect to programs that provide accessibility, quality, and relevance to the needs of the learner at the lowest possible cost.

The Bill also contains a number of minor amendments more of a housekeeping nature. For example, it deletes the reference to the students loan fund, which is no longer used in the provision of student financial assistance.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Speaker. I'd like to address a few concerns in Bill 11, and I have a number of questions that I'd hope we might get some response to. I've spent some time talking to groups across the province about the Bill, and there's certainly some strong opposition from students, at Mount Royal College in particular, to this Bill going ahead and being approved.

The basis of their concern is that the pool of funds that may now be available for students at institutions like their own and public institutions is going to be diminished as funds for programs that are being duplicated at private institutions are made available to students. So they expressed a very strong concern about this expansion of the loans program to those institutions. One of the questions that they had was a question about who the minister and the department had consulted with before coming forward with these changes. They indicated that they certainly hadn't been asked about the proposed changes, and they wondered why not, given their vested interest in the loans program and what happens to it.

They're still smarting somewhat, I think, Mr. Speaker, over the previous changes to the student loans program that were brought about when the program was privatized and CIBC took on responsibility for administering those loans. They indicated at that time, after there had been some consultation with them, that in fact the changes and that move to give the program to the Canadian Imperial Bank of Commerce were made rather quickly. They were informed one afternoon, and the minister held a press conference at 8 o'clock the next morning to make the announcement. So they felt that in that case their involvement had only been cursory and their concerns hadn't really had much effect in terms of the minister's ultimate decision. So they are coming out of that experience, as I indicated, somewhat concerned about the changes.

Another concern that a number of people across the province had is the seeming ad hocery in terms of changes to the programs, that there doesn't seem to be a plan, and someone comes up with another or a new idea and all of a sudden it becomes part of the student loans program. They object to that. They want a comprehensive plan. They want some assurance that the changes that are going to be made have been well thought through and that the entire package is looked at.

Another result of these changes, of course, is that there'd be more power in the department of advanced education. That, along with some of the other changes, notably, for instance, the access fund, is starting to move a lot of power into the department. Certainly, as in K to 12 education in the province, the result is a massive centralization of power under the minister and his department and the deputy, so a major concern that again it's giving more power to the department.

For Liberals of course, who value and who feel that we should be making every effort we possibly can to make loans available, to make funds available to students, the Bill presents somewhat of a dilemma because it will in fact make programs available to students in private institutions who were, prior to these changes, ineligible for funding. So we are in a bit of a dilemma. We like the notion that more funds will be made available to more students for a wider variety of programs, yet we share students' fears that it's not very well thought through, that it may end up in a smaller pool of funds being available for students in public institutions.

So with those few comments, Mr. Speaker, I'd be pleased to hear from the minister what exactly his thoughts are.

THE SPEAKER: The hon. Member for Calgary-*Buffalo*.

MR. DICKSON: Well, thanks, Mr. Speaker. Just a couple of concerns with respect to Bill 11. The first one: I'd ask for a commitment from either the Member for Calgary-*Fish Creek*, in whose name Bill 11 appears, or the hon. minister of advanced education that the regulations that will be amended by Bill 11 will in fact be referred to the Standing Committee on Law and

Regulations. This is a concern that many members in this Chamber have. We want to restore the Legislature to its appropriate and proper role in terms of reviewing statutory instruments. Whether they're ministerial orders, orders in council, or regulations, they ought to be vetted by that standing committee with representation from both sides of the Chamber. So I want to ask for that kind of assurance, as I say, from either the sponsor of the Bill or the relevant minister.

Mr. Speaker, the concern I have with Bill 11 is that when we facilitate – and that's the way I view this Bill – private institutions, whether sometimes that's not something of a cop-out, something of an easy way of trying to address a real problem, the real problem being that we have more young people in this province eligible for postsecondary education than the system can accommodate. So I suppose, in very simplistic terms, there are two responses. The one response is to go and beef up resources to sort of a parallel private structure or to make the investment in making sure that we've got absolutely the best public system we can have. As somebody who is a strong advocate for public education, obviously my preference would be to see us try harder to identify barriers to accessing those public institutions and dismantle the barriers.

My concern when I look at this Bill is that I see that the focus is in the second alternative I cited, and I think that's not helpful to those of us who are concerned in a stronger public education system. With respect to the consolidation of control in the provincial government, I say – and this has been expressed I think well by the advanced education critic on this side – that what we've got is an increasing focus, an increasing consolidation of power in the hands of the central authority, in this case the department of advanced education and the minister of advanced education. I think that's problematic. So, Mr. Speaker, I think for those reasons I have difficulty with this Bill.

I hope that the sponsor of the Bill will consider those concerns, because I think that she too – I've heard her speak about the importance of public institutions and public education. I see she's shaking her head, so perhaps I've misapprehended her concern for public education, and I regret to report that. In any event, I'm hopeful that she may have a change of heart and a change of mind and understand just how important public education is at the postsecondary level as well as at the K to 12 level and rethink her position before this Bill comes back at the next stage.

Thanks very much, Mr. Speaker.

2:50

THE SPEAKER: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you, Mr. Speaker. As an individual in this Assembly who has benefited greatly from public education and as an individual in this Assembly who might be classically defined as somebody who would not have succeeded without the benefit of public education I find myself on each piece of legislation that deals with educational issues under some almost inbred compulsion to make a few comments. Today is no exception to that.

This Bill is not an enabling Bill to the students who are looking for opportunities to get ahead. It is not an unreasonable statistic to cite in this Assembly that there are numerous individuals – the numbers are as high as 10,000 people a year – that cannot get into postsecondary education in the province of Alberta who wish to do so. The government, on the other hand, has adopted a philosophy that some of the courses of studies do not fall within the narrow pattern of those courses of studies for which the government feels the training is useful, rewarding, or job

generating. As a result, there is an attempt to control even further the number of opportunities and the manner in which students exercise their freedom of choice by taking postsecondary education.

This particular piece of legislation appears to be inconsistent with the government's other initiatives concerning enabling, empowering freedom of choice, freedom of expression, and freedom of opportunity. For example, the Minister of Municipal Affairs allowed the privatization of liquor stores so the people would have more choice and more opportunity to buy what they want when they want and make their own choices. We saw that with the regional health boards: the desire that regional health boards would make health care decisions close to home. But what do we have in this piece of legislation, Mr. Speaker? We have legislation where the government by regulation – unscrutinized, undebated, and uninspected regulation – will decide what type of educational facility is suitable and what type of educational facility will lead to funding. That, I suggest, is a recipe for disaster, because those programs that appear to be out of vogue, inappropriate, nonpractical today might, just like biological evolution, evolve into appropriateness, evolve into productiveness, and evolve into the need-fulfilling skills that we have a need for in this province with the passage of time. I think it is not for us in this Legislative Assembly to curtail people's abilities to educate themselves.

I want to draw to the attention of the sponsor of this Bill my particular concerns with paragraph 9(1) of the Bill, in which again we see the old bogeyman that is a theme of this Alberta Legislature: we won't legislate anymore; we will have regulations. Law by regulation is what we have in this legislation, and I would like to encourage the member who sponsored this Bill to rethink that position. Indeed, in paragraph 6 of this amending Bill, where we change some of the definitions of section 11, it becomes clear again, Mr. Speaker, that what we have is a control of studies by the government. In other words, if the program you go to does not fit into the government's ideology, you will not be funded. That seems to me, frankly, without unduly inflaming the debate, to be a control and a curb on the freedom of education almost akin to telling people what types of books they can read, what type of television they can watch, and all of the other intrusions that none of us like in our lives.

So I would urge the member, who has a reputation of being in support of postsecondary education, to go back to her colleagues and suggest to them that this particular intrusion on the freedom of education has not been well thought out.

Thank you, Mr. Speaker.

[Motion carried; Bill 11 read a second time]

Bill 15 Charitable Fund-Raising Act

THE SPEAKER: The hon. Member for Pincher Creek-Macleod.

MR. COUTTS: Thank you, Mr. Speaker. It's my pleasure to rise and move second reading of Bill 15, the Charitable Fund-Raising Act, on behalf of the hon. Minister of Municipal Affairs.

Charities are an important part of life in Alberta. They actively provide important services in communities throughout this province. Seniors, the poor, the disadvantaged, and the sick are just a few of the groups that charities serve. It is important to remember, however, that charities help us all. By doing good works in our communities and helping to build the generous spirit that binds communities together, charities strengthen our province. Albertans recognize this. We are some of the highest per capita

donors in Canada. We give more on average to charities each year than any other province. No doubt this is a reflection of the importance we place on communities in this province. It is also a reflection of the fact that Alberta has had strong laws to protect Alberta from misleading solicitations and unscrupulous dealings with contributions made for charitable purposes.

For a long time the Public Contributions Act regulated charities and protected Albertans from scam artists posing as charities. However, the Public Contributions Act was not perfect, and certain sections of it were recently overturned by a Court of Appeal decision. These sections dealt with the scheduling and approving of charitable campaigns by the government and the municipalities' approving authorities. The court also questioned the breadth of the Act's definition of charitable purposes. The court felt that these sections violated charities' rights to free expression under the Charter of Rights and Freedoms.

The government has taken the opportunity to draft Bill 15, the Charitable Fund-Raising Act, as an improved, streamlined, and modern piece of legislation that will govern how charities and professional fund-raisers operate in our province. When passed, Bill 15 will replace the Public Contributions Act and the charitable promotion business licensing regulation under the Licensing of Trades and Businesses Act. Charities and charitable promotion businesses, or the professional fund-raisers, will now fall under the same piece of legislation. The Charitable Fund-Raising Act will make it easier for our province's many legitimate charities to operate, and it will make it tougher for any person that bends or breaks the law.

Bill 15 better defines charitable organizations and charitable purposes. A charitable organization is an incorporated or unincorporated entity that is formed for a charitable purpose, or any person who is not connected to a charitable organization but makes solicitations for charitable purposes.

A "charitable purpose" is defined as any . . .

MRS. FORSYTH: Philanthropic.

MR. COUTTS: Thank you, hon. member. ". . . philanthropic, benevolent, educational, health, humane, religious, cultural or artistic purpose."

Because professional fund-raisers fall under this Bill, they too are defined.

A professional fund-raiser is a person who, for money or other consideration, makes . . . manages or is responsible for solicitations [and receives contributions] on behalf of a charitable organization.

Employees or volunteers of a charitable organization that runs its own campaign and donor fund-raisers are not considered professional fund-raisers.

While the Public Contributions Act regulates charitable campaigns, this Bill proposes to regulate solicitations for donations and how they are made. Mr. Speaker, we also have a definition for solicitation: a direct or indirect request for contributions which are stated or implied to be for a charitable organization or purpose or a request for a contribution through a request to buy goods or services where a portion of the purchase price will be for a charitable organization or purpose.

3:00

Mr. Speaker, Bill 15, the Charitable Fund-Raising Act, excludes certain types of fund-raising: solicitation from a member or their family by a charity; events authorized by the Alberta Gaming Commission; and solicitations for goods or services that

are to be used solely by the charitable organization. For example, churches which solicit from their own members would not fall under Bill 15; neither would a licensed raffle. These are excluded so that the Bill can focus on protecting individual donors.

Bill 15 has three basic purposes. The first is to ensure that Albertans receive enough information to make an informed decision when asked for a donation. The second is to protect Albertans from fraudulent, misleading, or confusing solicitations. The third is to establish some rules to govern how solicitations are made.

Under number one, information. When passed, the Charitable Fund-Raising Act will require each charity, the professional fundraiser, if one is used, and the employees or volunteers who make solicitations on the charity's behalf to present each potential donor with basic information such as the name of the charity, whether a professional fundraiser is involved, and the general purpose for which the contributions received will be used. Donors may also request additional information including specifics on how the donations will be used and the percentage of donations that will be used for the charitable purposes. Prior to making contributions, Albertans will be able to access all the information they need to make an informed decision. This information will help Albertans decide whether a particular charitable purpose is one they wish to support.

Number two. The first step towards preventing fraudulent, misleading, or confusing solicitations is to have a registry system for charities. Bill 15 requires each charity that raises over \$10,000 annually to register with the province. The registration process has been simplified, and it will be handled by Alberta registries through its network of registry agents. Charities will be able to register right in their own towns or cities rather than through a government office in Edmonton or Calgary. As I mentioned, Mr. Speaker, the sections of the Public Contributions Act that allow the province and the municipalities to approve the scheduled charity campaigns were struck down because they violated the charities' Charter of Rights. Under that Act charities could be refused the right to campaign based on subjective criteria. Bill 15 addresses that court decision by providing objective criteria for the registration of charities. Every charity that raises over \$10,000 annually will have to register. Small community-based charities, like a school holding a bake sale or Boy Scouts on a bottle drive, will be able to fund-raise without registering.

This Bill also preserves the licensing and bonding requirement of the charitable promotion business licensing regulation. Professional fund-raisers will continue to be licensed and bonded by the government. In addition, donor fund-raisers – that is, businesses that donate a portion of the proceeds from a particular sale of their goods or services to a charity – also fall under this Bill. They are considered charitable organizations, and they will have to adhere to the same high standards as charities.

Bill 15 also proposes tougher penalties for charities or professional fund-raisers that solicit donations using false or misleading information. These penalties include stiff fines of up to \$100,000 or three times the profit made from activities that contravened the Act. In addition, the court may assign prison terms of up to two years. The Bill also allows the government to refuse registration of charities or professional fund-raising companies that have been convicted of a crime that would cast doubt on their ability to appropriately handle donations.

Number three, establishing the rules governing the solicitations. Another important feature of this Bill, Mr. Speaker, is that it establishes some rules regarding solicitations. People making

solicitations on a charity's behalf must provide each potential donor with the information I described earlier. In addition, every donor must have a receipt for their contribution. Bill 15 also proposes to protect Albertans from unwanted solicitations. Albertans that do not want to be contacted by a charity or professional fund-raiser simply have to ask them to stop making the solicitations. The charity or the professional fund-raiser must make every effort to comply with that request.

In addition to the three main purposes that I have just described, Bill 15 also sets out rules for the relationship between professional fund-raisers and charities. Fund-raising agreements between charities and professional fund-raisers must be in writing. Professional fund-raisers must also hold all contributions they gather for the charity in trust and deposit them in the charity's account within two banking days. These kinds of rules will help protect the integrity of the fund-raising industry in our province. It will also ensure that the wishes of donors – that is, those who are contributing the money for charitable purposes – are met.

In summary, Mr. Speaker, Bill 15 will ensure that Albertans know enough about charities to make informed decisions about their donations. It will levy stiff penalties against people who break the law. It will establish rules for the relationship between the charities and the professional fund-raisers, and it will level the playing field between charities through a simplified registration system. Bill 15 will help create a healthy climate for charities in our province. As we know, a healthy climate for charity means that communities all over this province will benefit from a variety of good works.

That is the principle of the proposed Charitable Fund-Raising Act, and I look forward to discussing the specifics of Bill 15 in committee. Thank you.

THE SPEAKER: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thanks, Mr. Speaker. I was a bit puzzled when the last speaker indicated that he was introducing this Bill and he prefaced his argument by saying that we've had in Alberta some of the strongest laws in terms of policing charities. Well, the reason I'm puzzled is that the Alberta Court of Appeal, when it struck down elements of the Public Contributions Act, the sections were specifically those sections – sections 15 and 16 – in that area of registration. The whole Act wasn't struck down; there were specific sections in the Public Contributions Act.

I beg to differ with the last speaker. My view is that the way we dealt with charities in this province was in something of a mess. I think anytime you had charitable organizations having to go to five or six different approving authorities to be able to get approval to carry on a provincewide fund-raising effort, you had a problem. I think we had a number of problems that had to be addressed. The Court of Appeal identified some of them, but I think we have to be clear with Albertans: Bill 15 goes far beyond the direction of both the ratio and the obiter in the Alberta Court of Appeal decision. We go far beyond that. This government has embarked on reform in some other areas. I don't want any member to think that the Court of Appeal has put us in a position where we must pass this Bill in order to have a law that doesn't contravene the Charter of Rights and Freedoms. That's not so.

3:10

The other concern I have is that when we in a very bold way start dealing with charitable fund-raising, we want to be sure that we're trying to identify what the problems are, firstly, and then have a very specific, a very targeted response to the evils or the

mischievous we're trying to resolve. I'd like to attempt in the next few minutes to address some of what I believe to be the problems that have existed in Alberta in terms of charitable fund-raising and then talk about whether this particular Bill 15 measures up, whether this is an appropriate and measured response to the evil that presumably the government wants to address.

I want to start by saying, Mr. Speaker, that I've had some experience with charities in this province and charitable fund-raising. I think what we look for is a Bill that's going to provide a simpler, more streamlined kind of system but one that still provides a fair measure of protection, protection certainly for Albertans, the consumer, if you will, not just in the service provided by charities but also the people that are approached for fund-raising initiatives. We also want to ensure that we're not going to hamper the work of volunteers. This province, as the last speaker indicated, leads the country in terms of voluntary activity in not-for-profit organizations. Whatever we do here, it's got to facilitate, it's got to make it easier for those Albertans to get involved in their communities in terms of running those not-for-profit agencies and organizations. Those organizations really are the soul of this province and what distinguishes Alberta from virtually every other place in Canada.

I want to start off by identifying a really basic problem and, I submit, Mr. Speaker, a really basic flaw in Bill 15. It's this: if one looks through the Act, you see that extensive powers have been given to the minister. You don't have to look beyond sections 15, 16, 17, 24, 35, 38, 40, and 42. All of those sections give very broad, broad powers to the minister. So when I went through the Bill, I immediately then turned to the definitions section to see who the minister is. You typically look at section 1(1) to find the minister being defined, and there's no mention of the minister. I look to section 21 of the Interpretation Act. Does that help me? No, that doesn't give any definition in terms of who the minister would be when it's defined in this fashion.

My research finally takes me to section 16 of the Government Organization Act because there is a provision there that allows the Lieutenant Governor in Council to designate a minister by regulation as the "Minister responsible for an Act." Now, I've always thought that the Government Organization Act – that once you had a department in place and you had a minister charged with a certain responsibility and there was going to be some government reorganization, you would allow the cabinet some limited flexibility to act in a prudent and responsible way to make some organizational changes. To me, it's incomprehensible that when you start out with a brand-new statute, a brand-new regime to monitor charitable fund-raising, you wouldn't designate a single minister with responsibility for this.

I think that when members in this Chamber last fall talked about Bill 41 and then the aborted effort to bring in Bill 57, there was always this concern in terms of whether we were going to be faced with a ministerial shell game, Mr. Speaker. You know, that's the thing where we roll into question period and a member in opposition, trying to raise legitimate concerns that Albertans have, looks to ask a question of the appropriate minister. Well, what we're now going to have: we're being asked to support a Bill, and in this Bill no single minister opposite is going to have responsibility. To me, I want to know and Albertans want to know which one of these men or women in the front row opposite is going to be the one responsible for this Bill. It is, with respect, an abuse of the Government Organization Act to not address this absolutely key question right off the bat. I want to raise that concern now. That makes me start to scrutinize the Bill a little

more closely, because if the government hasn't been able to decide what minister of the Crown is going to be responsible for this brand-new fund-raising regime and fund-raising regulatory regime, have they thought the other things through any further? Are they any clearer in terms of what they hope to achieve in the other areas?

Moving on then, Mr. Speaker, the other concern I have is that we've got extensive regulatory powers: section 6, section 14, section 53. I ask the sponsor: on behalf of whatever minister may end up with this responsibility is he prepared to commit that those regulations will be submitted to the all-party Standing Committee on Law and Regulations so that those regulations can be reviewed before the Act is proclaimed, exactly the way that the Zander committee of this Legislature about 18 years ago said it should be done? The Zander committee, that was made up of distinguished members from both sides of the House, came up with a list of recommendations. The one recommendation we've never seen action on in this province is one that I think should be acted on, and maybe Bill 15 is the Bill – because certainly the subject matter is important enough – that we start seeing those regulations referred to that standing committee to be dealt with in that fashion.

Not only is there no definition of "minister" in the Act; there's no definition of "volunteer." One would have thought that if we're setting out a brand-new regime to be able to police, to regulate charitable fund-raising, one would have looked at the most key component of fund-raising in Alberta, and that's the volunteer. It's not the professional fund-raiser. It's not the head of the charitable organization. It's the volunteer. I'm surprised, Mr. Speaker, that hasn't been dealt with. That's a pretty important gap.

There are some other gaps that I want to raise. I raise these because my hope would be that the sponsor of the Bill, if he's able to get support to carry this through second reading, would take these positive suggestions and see if he can't respond to some of them so that when we deal with this Bill in committee, we're looking at a much better and a much stronger Bill, a Bill that's going to work better than the Bill 15 that's introduced now.

I just remind the Government House Leader, who's always saying, "Where are those positive suggestions from the opposition?" – I hope he's got his pencil and his calculator out, because he's going to hear lots of them this afternoon. I hope he's keeping a tally, because I know he's going to stand up in the Legislature somewhere down the road and say, "We don't hear positive suggestions from the opposition." I'm going to remind him then – but I'd like to save him the embarrassment now – that this was another occasion when we made positive suggestions. So I hope he's keeping count.

Mr. Speaker, when I look at section 11(5), I see a provision there that the Trustee Act will not apply to the trust. What the Act does, of course, is impress a trust upon charitable funds that have been raised through some kind of a campaign. There's a provision that the Trustee Act will not apply to the trust. One might ask why. Well, the answer may be that in subsection (4) of section 11 there's provision that "the trustee must comply with any requirements established for the trust by the regulations."

3:20

Well, Mr. Speaker, I'm familiar with the Trustee Act. I know what that says. That's existed in this province for a long time, and we're familiar with the jurisprudence in terms of interpreting that Act. I have no idea what the regulations are. I have a degree of confidence that I know what a trustee can or cannot do under the Trustee Act. What we have here is a government that comes along blithely, I might say, exempts this whole activity

from the Trustee Act, and says: trust us; we're going to bring in some regulations. I don't know if the regulations are going to provide a higher level of security and protection or a lower level of security and protection than the Trustee Act does currently. This is perhaps one more compelling reason why the regulations under this should be brought in in draft form and referred to the committee chaired by the hon. Member for Calgary-Shaw so that we can look at those things.

Mr. Speaker, I would undertake right now that if that happens and it appears to me that the draft regulations are equal to or stronger than the Trustee Act provisions, I'll be the first member in this Chamber to come forward and urge people to support that section. But I don't know – I don't have the benefit and no member in this Chamber, unless some government members are privy to regulations that are floating around in draft form that aren't going to be shared with members on this side and all of those Albertans that are represented by members on this side. So that, I think, is a gap in the Bill as well.

Mr. Speaker, I don't want to miss pointing out just some very positive elements in this Bill. I'm particularly encouraged when I see section 5 because it recognizes that there's a concern particularly in terms of telephone solicitation. I think that's a very positive move, and I applaud the government for incorporating section 5. I hear a lot of concern from constituents of mine in high-rise apartment buildings in downtown Calgary that are pestered by solicitations at what might be regarded as unreasonable hours, unreasonable times. So I'm glad to see that in there.

Section 9(2) of the Act. There's no limit on fees. There's a reference to reasonable fees but no indication in terms of what the fees are going to be. We wrestled with this on the Freedom of Information and Protection of Privacy Act, because one of the things members will recall from that is that it's very, very easy to allow fees to become a significant obstacle to people being able to access information. We've seen and certainly the Member for Rocky Mountain House, the distinguished member, the minister responsible for Environmental Protection, can share with any member on his side of the House how important it is that when you talk about reasonable fees, you have to be concerned in terms of: reasonable to whom, reasonable in what context, and what are the criteria that are going to be used? We found under the very able leadership of the Minister of Environmental Protection, when we dealt with freedom of information, that that minister was a champion, Mr. Speaker, of making sure that there were some limits put on what those reasonable fees could be. That's a potential problem which may curtail what I think is intended to be a useful benefit under this Bill.

The provision in terms of section 4(2), the \$10,000 threshold. It is still not clear to me, despite the comments of the sponsor of the Bill, whether that \$10,000 threshold applies only to provincial organizations, or if it's a provincial organization with local chapters and local districts, whether they're exempt, whether the \$10,000 threshold does not apply to them at all. The sponsor gave some examples, but he didn't address this question. You know, the Girl Guides of Canada have a very large, provincewide organization. They have districts organized. They have the Calgary district, and then they have smaller units within that. Who has to apply? Even Girl Guides, as I'm sure any of our guests earlier this afternoon would have told members, are very proficient at raising funds, in many cases far more than the \$10,000 ceiling. When they have their cookie sales, is it the Calgary district that needs approval? Is it the area? Is it the province? I don't know, and that's something that has to be addressed.

Section 6(1)(b) makes reference that somebody who makes a solicitation must provide the person being solicited with "an adequate opportunity to review the information." Well, what's an adequate opportunity? If somebody shows up at my door soliciting funds, is it just in the brief conversation? Is that my adequate opportunity? I don't know what adequate opportunity means.

Section 7(b). There's provision in terms of record keeping, and I think my initial reaction, Mr. Speaker, is that may well be burdensome. I don't see enough limits put on that to ensure it doesn't become really onerous with charities.

Section 10, the receipt issuance. There's a provision there that if you're someplace soliciting only from members – and I don't recall exactly what section that is now – different rules will apply. To take the example of somebody attending a church service, does the fact that somebody attends a place of worship on a Sunday morning or whenever the worship service is held mean that person is a member, then, of that church? That's not clear to me. I know many people that will attend a church when they happen to be visiting in a city. I don't think they regard themselves as members of that congregation. That's not addressed. It's not clear in the Bill.

With respect to sections 15 and 16, there is enormous power reposed in the minister, and there's no appeal process. So we've got sort of a compounded problem. We don't know who the minister is who's going to be responsible for this, and we're giving an awful lot of power to that no-name minister. That just, I think, highlights the importance of doing two things: firstly, identifying a minister with this important responsibility and, secondly, ensuring that there's some provision, some appeal, that if the minister abuses his discretionary power, there's some way of reining him in. [Mr. Dickson's speaking time expired] Mr. Speaker, is my time up?

Thank you very much.

MR. GERMAIN: You know, a while back, Mr. Speaker, we had a Member of the Legislative Assembly that indicated that he was going to have a golf tournament and out of that golf tournament he was going to make some donations to charity. One has to wonder whether that master of cash development would in fact now be caught on the rocks of this particular Bill and would be prohibited by this particular Bill.

I wanted to be charitable in my remarks this afternoon, Mr. Speaker, but I also want to suggest to the Members of this Legislative Assembly that this Bill may be fairly and not inflammatorily cast in the definition of an attack on Girl Guides in the province of Alberta. I can't believe that the member in his good grace and reputation for moderation would have attempted to bring forward a Bill that would have been such an attack on the Girl Guides of this province, and it must therefore be only that he did not understand the significance and consequence of this Bill.

You know, it was interesting earlier when my good friend from Calgary-Buffalo was speaking and he said: who's the minister? I saw the Minister of Justice and the minister of environmental affairs put their heads together and unanimously conclude in that synaptic instant that they did not want to be the minister, and I could hear them echoing silently, "Not me, not me, please not me." I want to also suggest that when my good friend from Calgary-Buffalo made the very obvious yet somewhat stupefying assessment that the government in their infinite wisdom had forgotten to define both "minister" and "volunteer" in legislation such as this, I could almost see the Minister of Labour wondering

if he could repudiate at second reading this Bill and still save face, having stood up and put it on the Order Paper of the government.

Frankly, Mr. Speaker, this Bill is seriously flawed, and I want to use the next 15 minutes or so of my time to point out in a generous and charitable way how this Bill is flawed, in the hopes that the members will decide that this Bill should either be adjourned without being given further reading to allow reasonable feedback and calm and rational debate or it should be pulled completely and regrouped or they should come to grips with the reality that in the committee stage of this Bill we are going to have to put partisan differences aside and actually do something that is rarely done here; that is, constructively and positively improve and modify the Bill.

3:30

MR. DAY: That'll be a first for you guys.

MR. GERMAIN: Now, the Minister of Labour says to me, "That'll be a first for you guys." His memory has already faded on the great five amendments that this Legislative Assembly put forward to protect the interests of the oil and gas industry in this province, and the government, who somehow believes that they support the oil and gas industry, rejected all five of them, leaving them in the position months after of having to explain to the oil industry why they cared so little about the oil industry in this province.

I address my comments to the members opposite. One would have thought that the sponsor of this piece of legislative business would have felt that sporting events would also have qualified in the definition of "charity" under "charitable purpose," but if we look at the list of the definition of charitable purpose, we see conspicuously absent sporting events. There are many sporting events in the province of Alberta that function only because of the goodwill of volunteers and the goodwill of charitable fund-raising, and that, I would suggest, is a patent flaw in the drafting of this Bill.

The other comments about the lack of definition for volunteers and the lack of definition of the minister in charge have already been eloquently stated and do not bear repeating. However, interestingly to note, Mr. Speaker, perhaps on further reflection we wouldn't want to define volunteers because of the many opportunities in this piece of legislation for volunteers to be criminalized. By strict liability legislation which they may know nothing about, they could end up with a criminal conviction for attempting to be a community Good Samaritan. I think we couldn't think of a better way to discourage . . .

MR. DAY: It's like gun registration.

MR. GERMAIN: Now, the Minister of Labour chirps up, "It's like gun registration." Well, this government seems to be averse to registration, yet they want every little hockey team and every little Girl Guide chapter and Boy Scout chapter to be registered for their solicitation.

Now, hon. members, take a look with me at the definition of "solicitation." The definition of "solicitation" is that you give something by way of a direct sale in exchange for fund-raising. So that would mean that a Girl Guide at your door selling you Girl Guide tickets falls clearly within the width and breadth of this legislation if the Girl Guide organization generates \$10,000 a year. Since one of the tenets of the Girl Guides and the Boy Scouts is that they have chapters of a national organization, it would therefore appear to me that \$10,000 would apply to all of

their national or international fund-raising and not just their little fund-raising, for example, done up in Fort McMurray, Alberta.

So let's assume that in Grande Prairie or in Westlock or in the Cochrane area a young Girl Guide knocks at somebody's door and wants to sell Girl Guide cookies. This is what that Girl Guide has to, my friends, be able to tell you. If you look at paragraph 6 of this piece of legislation, that Girl Guide must, before accepting that contribution – now, that's not only if you ask; that's not only if you're curious – give you

- (a) the information required by the regulations in the manner and form required by the regulations, and
- (b) an adequate opportunity to review the information.

Now, because that's couched in mandatory language, I want to suggest to all Members of this Legislative Assembly that we will now be able to make young offenders out of every Girl Guide or every Brownie, who is five years old, standing at your door in the cold, blustery winter in Alberta with her Girl Guide cookies in one hand and her other hand outstretched for your \$2. That young lady will in fact be committing a breach of this Act and become a young offender, that this government has spoken about so ferociously in some of their commentaries on young offenders in this Assembly in the past.

Can it be that any legislator in the province of Alberta intended in this legislation to lash out so violently and so aggressively at Girl Guide cookie sellers and Brownies selling Girl Guide Cookies? All you have to do, my friends, is read the Act, and you can see that it clearly applies, provided that the Girl Guides generate \$10,000. Well, we've already heard a lecture today about how giving charities are in Alberta, so you know intuitively that every chapter of the Girl Guides, let alone their national organization, generates in fact \$10,000 worth of sales. So what we have done here is criminalized volunteers often because they do not know any better.

Let me go down to paragraph 8. Because Canadian tax law is set up that we allow a person making a charitable donation to take a tax deduction for it, one would have assumed that this Legislative Assembly would have supported the concept of charitable giving. It is a gift from the heart, and it allows us to do benevolent things. But what do we see happen in paragraph 8? We see that a charity who raises more than \$10,000 has to file an audited financial statement. Now, if the minister of transportation were here, he would be suggesting that this is welfare for accountants, but since he's not here, let me suggest to all members – I'm sorry, Mr. Speaker. I retract that comment. Let me suggest that this is really an opportunity for registerable charities who earn \$11,000 or \$12,000 to pay perhaps 50 percent of their total take for audited financial statements.

Now, you're going to say to me, "Whoa, Member for Fort McMurray. The regulations could exempt that." Well, maybe they could, but we don't see the regulations. We never caress the regulations. We never discuss and we never review the regulations. Where would you draw the line? Would you say that a charity that generates \$11,000 is exempt from an audited financial statement but one that generates \$12,000 is not exempt? Where would you stop making people pay the extensive fees for audited financial statements?

Let me return to that picture and that image of the Girl Guide standing at your door in the middle of an Alberta winter with her box of Girl Guide cookies in her hand and her other hand stretched out for her \$2. Now, if you want to do this, you are entitled to have a reasonable opportunity to review the information that she gives you, that little five-year-old Brownie standing there in her brown uniform with her hand outstretched for her \$2. You

are entitled to ask her to file and produce for you the following: a copy of their most recent audited financial statement and the portion of the gross contributions received that go to charitable works. Think about that, hon. members. Do you want to have your name stand beside a piece of legislation that forces Girl Guides at your door to produce audited financial statements to you? Can that make sense? Can anybody want to do that?

Now, that Girl Guide and that Brownie have a retaliation point though. That Girl Guide can say to you, "Yes, Mr. Homeowner," or Madam Homeowner, "I'll give you that information, but now you have to pay me a reasonable fee." Does that make sense? Does it make sense that people who are trying to raise charitable funds are going to get much of a reception from anybody at the door when they say to that person, "You can have our financial data, but you now have to pay us a reasonable fee"? The person is going to say to them, "By golly, young lady, somebody has sure made it very hard for you to get your hand out for \$2 and give me a box of Girl Guide cookies." I hope that young Brownie or Girl Guide will look them right in the eye and say: "Yes, indeed. It has been made hard for us to sell Girl Guide cookies." And who has made it hard? The government of the province of Alberta. Rolling over the opposition, rolling over the constructive criticism, the government of the province of Alberta has launched this attack on Girl Guides and the sale of Girl Guide cookies.

3:40

I want to take you, my friends, to paragraph 16 of this particular legislation. It outlines in scandalous detail that the unidentified minister, who has yet to claim responsibility for this Act – and indeed it may be the minister of transportation that will be the scrutineer of the legitimacy of Girl Guide cookie sales. It may be that that minister will give written reasons rejecting a claim to be registered as a charitable organization. Now, what's the purpose of those written reasons? Just to make the charity feel worse? [interjection] There are no particular appeal provisions anywhere in section 16. It seems to me, hon. minister, that if you're going to force a minister to give written reasons, you might wish to go on further and say that the person who is rejected has the right of appeal to the courts.

I want to take you now to section 23(3) of this particular legislation, where we bring the government's approach of enforcement of charitable organizations to a new high in that we now prohibit organizations from getting going if the government has reason to suspect that they may be discreditable in the future. We have gone now beyond innocent until proven guilty. We have now gone to speculative guilt in some future removed time as a reason to prohibit somebody from carrying on their charitable fund-raising work.

Now, if we could go, my friends in this Assembly, to the enforcement section of this particular legislation, you will see that people can inadvertently – inadvertently – breach the rules and be charged with some kind of offence. Take a look, for example, at paragraph 43(1), that outlines a litany of offences for breaching this charitable donations Act. It starts by saying, "No person may," and then it lists all the atrocities that the government is afraid that people will do, and one of them is that they may "make a false statement of fact or misrepresent any fact or circumstance in a solicitation."

Let's go back to that Girl Guide standing there on your cold doorstep, and let's say that she has persevered and you have persevered with her and you have demanded a copy of the audited financial statement and it turns out that there is an error in that audited financial statement or in their declaration of where the

money goes. Let us suppose that. Now, because the word "knowingly" is not contained in this legislation, it means that that young Girl Guide is strictly liable and strictly guilty for the breach of that representation, because the drafters of this legislation in their infinite wisdom have viewed collecting funds at the door more aggressively than other Legislatures have viewed crimes such as theft, siphoning gas, joyriding in automobiles, all of which require that you know that you are committing a crime before you are guilty of it, but not that young Girl Guide shivering in front of your doorstep, my friends. She is guilty simply by giving you information that is false, even though she may not know it. Can that be what the legislators intended? Can that be what this Legislative Assembly in its awesome might and ferocious power ever intended; that is, to make it difficult for Girl Guides in this province to sell Girl Guide cookies?

Now, you are going to say, "Well, Member for Fort McMurray, in your enthusiasm to make a point you have exaggerated the point, and of course, we will never attack Girl Guides." Well, why? The legislation permits that, and if you can attack Girl Guides by this legislation, think of all the other charities and fund-raising organizations that you can also attack by this legislation. Last weekend I was honoured to go to an auction sale, a charity auction sale. Are charitable auction sales now excluded or included in this legislation? We don't know. All of these issues, my friends, have to be dealt with before we foist this legislation on an unsuspecting public.

Now, it is true that from time to time there are some people under the guise of charity that pull at your heartstrings and persuade you to part with cash or services or goods in a fraudulent and inappropriate purpose. For that, we have provisions in the Criminal Code that allow them to be prosecuted as criminals. So the protection is already there for people who abuse charitable fund-raising and charitable purposes.

Let us not in the guise of a make-believe problem put up roadblocks. Let us not have a situation develop where volunteers in this province are getting legal opinions that they ought not volunteer to go sell daffodils for the Canadian Cancer Society, that they ought not volunteer to collect money for the Canadian Diabetes Association, that they ought not volunteer to go out for the United Way and collect funds. Let us not put roadblocks, my friends, in front of decent, caring people who are going out to do a decent, caring job to help members of the public who are less fortunate than themselves.

That, my friends, is what this Bill and the vote that we're going to take on this Bill is all about. Do we want to intimidate and drive volunteers out of the charitable game? Do we want to have people throw up their hands in disgust and say, "The only thing we can do is get a gambling licence"? Or do we want to encourage people to do the benevolent, charitable work that they have long done in this province? If it is the latter, that we want to encourage them, let's all stand up at second reading of this Bill and vote against this Bill right now. The members of the committee and the members of the government that brought this Bill forward can regroup, rethink, come out with a Bill that does the job that they want done; that is, to protect the public from the unscrupulous fund-raiser in such a way that it does not dry up the ever shrinking pool of volunteers and that it does not strike at the ability of our honourable charities in this province to do decent and fair fund-raising.

Those are my comments on this Bill this afternoon.

THE SPEAKER: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. I, too, want to offer a few comments on Bill 15, the Charitable Fund-Raising Act. The previous speaker talked about the concern with respect to volunteerism, and I would echo that concern. The whole concept of getting involved and helping out your community – the member spoke at length about Girl Guides. That's perhaps somewhat odd since he has three sons but nonetheless used that as a very good example.

Section 4 that the member spoke to, that it would make it difficult for groups like the Girl Guides and so forth to go out and sell their cookies, certainly is an interesting one to deal with. In my own constituency, for example, this weekend the Boy Scouts are going to be out and about now. I applaud the government for having made empty bottles as big a business as it has with the recycling of bottles, cans, and the like. The Boy Scouts have picked up on this and for years and years, Mr. Speaker, have been going out and about collecting those empty bottles. Well, the 159th Silver Springs Boy Scouts this weekend are having a bottle drive and are going to go out. This is of one several they have every year to raise funds to support the boys to go to camps and so forth. Now, according to this, with gross contributions of \$10,000 or more they would have to go out and be licensed under this particular piece of legislation.

Now, the interesting thing that I find is that this Bill – and I think in all fairness, Mr. Speaker, the intent of this Bill is probably worth noting. I think the government with this Bill intended to make it more difficult for fraudulent fund-raisers to go out and raise funds. If that is the intent of the Bill, then certainly I think it's probably a good direction. However, I don't think the Bill actually achieves that.

One of the things that will happen – and it's been alluded to by both of the speakers – is it will make it much more difficult for legitimate fund-raisers to go out and raise funds for whatever it is they're promoting, whether it's the Boy Scouts, the Girl Guides, the Cancer Society, and so on. There's any long list of things that are worthwhile causes and have volunteers go out to support that particular cause. Mr. Speaker, I would argue that perhaps one of the biggest obstacles to fund-raising that has been put in place by the government has in fact been the government itself.

3:50

The Member for Calgary-Buffalo and the Member for Calgary-West and myself spent a day in Calgary having an open house where we invited charitable organizations to come to us to deal with the issue of lotteries. You may ask yourself the question: how do lotteries and gaming and so forth relate? Well, with the advent of video lottery terminals in the province, Mr. Speaker, we've seen a substantial increase in the revenues to government that go to government via the form of gaming, whatever that gaming may be. In fact, if you look at the public accounts, you'll see that in the 1991-92 fiscal year the government brought in a total of \$21 million through gaming and all of the various different things that were out there at that time. Now we find ourselves shortly coming up, in four days' time, to the '95-96 fiscal year. The government in their budget has projected revenues of \$510 million. From \$21 million, that is an increase of 25 times.

Now, there are only so many dollars to go around, and in a scant five years we've seen that growth in revenue to the government, which in turn makes it much more difficult for charitable organizations to go out and raise the funds they need for the needs they have within their particular organizations. So indeed, Mr. Speaker, one of the most difficult things that charitable organizations face now is the great competition not only from other

charitable organizations but in fact from the government itself in fund-raising, which all of these charitable organizations attempt on a regular basis. So that is a note that I wanted to make.

The Member for Calgary-Buffalo talked about the issue of regulations. In the words of I think the Minister of Labour, this is déjà vu all over again. Here we are debating the issue of regulations. I know that I have discussed this issue before. In this particular piece of legislation there are 32 sections or subsections that say something along the line of "the minister shall make regulations" or some reference somewhere that regulations, I presume at some point, are to follow. Now, I know this is a government that says, "Trust us; everything will work out fine; it'll be wonderful," and so on and so forth. I must say that I am rather skeptical when I look at all of the different sections that are in here. Again, we talk about the regulations, establishing fees, time periods for re-registration when a licence expires, and so on and so on.

One of the issues of concern in here deals with the issue of professional fund-raisers and fund-raising agreements, which is in sections 28 and 29 and so on, a few sections in there. Now, one of the issues that transpired in Calgary not long ago, Mr. Speaker, was the issue that professional fund-raisers were taking by far and away the lion's share of funds that were raised; by lion's share I mean more than 50 percent. The problem with that, of course, is that when you as a resident are sitting in your home and someone comes to your door and asks for funds for a particular cause, most people assume that the majority of the funds will in fact go to the charitable organization itself, not as a paid fee to some professional fund-raising organization.

When we look at the sections that deal with professional fund-raisers and fund-raising agreements, there doesn't seem to be any regulation, at least not in this piece of legislation, that deals with the upper limit of the percentage fees. A lot of contracts, as I understand it, between professional fund-raisers and charitable organizations are often based on a percentage basis. So the fundraiser will take a percentage of the gross revenues realized, and that will be taken as a fee. But nowhere in section 29 does it declare what that upper limit shall be. In fact, all it says is that in the agreement you have to spell it out before you begin. That seems to me to be prudent, but of course in a fund-raising drive you never really know exactly how successful your fund-raising event will be. So if you agree to a percentage, it's very difficult either for the charitable organization or for the fund-raising company, on the other hand, to know exactly what real dollars that will mean in their pocket.

So that is a concern that is not addressed satisfactorily in this piece of legislation. I think it's something that needs to be addressed and should be included presumably, or preferably, with the legislation, as opposed to some oblique reference that it may come up in regulation. In fact, when we look at section 53, it says, "The Minister may make regulations," not the minister "shall" make regulations. We don't even know if the regulations will come or if there will be regulations or if it'll simply be left up to whomever, I guess, to decide what should occur with this particular agreement. So something there should be addressed.

The penalty section dealing with Suspension, Cancellation and Terms and Conditions under the section of ministerial powers again is very vague in what it describes in here. In two instances there's reference to "in the Minister's opinion." That's in section 42(2)(a). There's another section farther on down that talks about: if in the Minister's opinion some contravention of the Act has occurred or if the minister even believes there might be some

contravention down the road. Well, as the Member for Calgary-Buffalo pointed out, we don't know which minister this will be, and from what this indicates in here, whoever this minister might be doesn't seem to have to require any evidence. It just says: if the minister in his opinion feels there's a concern, well, then the minister can pull a licence for fund-raising. So it seems rather peculiar that there's no requirement for any kind of hard evidence or indication of evidence.

Some of them are a little more specific, that say if there's been a "conviction" from a court. Well, that seems to me to be pretty clear. If there have been breaches of the Unfair Trade Practices Act, that's pretty clear as well. But the first subsection of that Act, Mr. Speaker, is pretty broad, pretty vague, and leaves it very, very subjective. In fact, in one place it does give reference to the concept of "reasonable grounds." At least it does make some mention that the minister has to have reasonable grounds and in fact has to provide notice to the applicant. If in fact an application for a licence has been refused, then reasons must be given. That's in sections 23(3) and 24(1). There has to be some notice given, some explanation given.

When we look by contrast at section 42, the minister at a whim one morning could wake up and say, "Gee, I don't feel right about these guys," and could pull the licence. Now, I'm sure that we want to have ministers with the ability to halt the activities of unscrupulous and unfair fund-raisers, either professional fund-raisers or charitable organizations. I use the words "charitable organization" in quotes because it may be one that's raising funds solely for personal gain. We want a minister to be able to have some ability to stop unscrupulous activity, but it seems to me that it should be incumbent upon the minister to have some evidence or some grounds upon which to base such a decision.

Peculiarly, after looking at that particular section, you look at section 45 and it talks about charitable organizations and professional fund-raisers saying: well, if they've had their registration revoked or if they've had their licence revoked, they still must comply with the terms and conditions of that. It sounds to me like the government is saying, "Well, we may revoke your licences and your registration, but we expect people will continue to fund-raise anyway." That, to me, seems rather contradictory. If licences and registrations have been revoked from the fund-raisers in question, then it seems to me that the minister should be stepping in, ensuring that nothing continues that the minister has now decided should not continue. So the question dealing with this particular section is simply: is this wording going to be cleared up and clarified, or is this to deal with down the road, after somebody has been shut down? What are these two subsections under section 45 really implying? It sounds the way it's written, Mr. Speaker, that fund-raisers could blithely continue doing whatever it was that they were doing before.

4:00

One final comment, Mr. Speaker, with respect to section 47. Section 47 refers to disclosure of information, and it talks about the idea that the minister may disclose any information that the minister decides is for the benefit of the public. The phrase that is in this section says, "to determine if contributions should be made." Now, I'm not sure if that means that we should be able to call the minister up and say: "Gee, we've got Joe and Mary at the door for the ABC charitable foundation. Do you think I should give a donation to these guys?" I mean, what does this really mean? Is the minister going to be advising people on what charities we should make contributions to and which ones we

should not? Is he going to be advising the public which organizations are legitimate and which ones are not?

It seems to me that if an organization is out fund-raising, then they are legitimate, and there shouldn't be any difficulty with people making their own choice and their own decision as to whether or not to support them. If the charitable organization that is operating is not operating under legitimate, legal standards, then of course it's incumbent upon the minister to get in there, shut them down, close them down, and make sure that funds are dispensed in the appropriate fashion. So that is a concern that I have, Mr. Speaker, in that this is a very, very permissive, broad statement in section 47 that seems to allow the minister, whom-ever the government ultimately decides will be that minister, to do pretty much as he or she will.

[The Deputy Speaker in the Chair]

Now, the curiosity behind this section of course is that when you think back to other times when we in this Legislature, at least from this side of the House, have asked through motions for returns and written questions, have by those two vehicles asked for information, very often the response is, "Gee, we can't give that out because it might be harmful to the other company that's involved on the other side." Here we have a pretty permissive clause that says: well, if the minister chooses to disclose the information, he or she may do so at will. So it seems a rather curious dichotomy that at least in this particular Bill differs from what we've often seen in practice in the Legislature in terms of discussion of issues like motions for returns and written questions.

So, Mr. Speaker, those are the comments that I have on the Bill. I think the concept is essentially sound; that is, to ensure that there is no unscrupulous fund-raising occurring. I must say that I would like to see the regulations. I'd like to see some of the issues that I have raised addressed by perhaps the sponsor of the Bill; Pincher Creek-Macleod I think is the constituency. I hope that he will address the issues that I've raised when we finish and close debate on second reading.

Thank you, Mr. Speaker.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you, Mr. Speaker. I, too, feel compelled to get up today to speak to Bill 15. My concerns about the Bill are not so much specific as they are broad in nature.

My concern is one that was highlighted earlier, and I think it was Fort McMurray that mentioned it or perhaps maybe Calgary-Buffalo when talking about the minister responsible as outlined in the Bill itself. Ministerial Powers in section 40 goes on for pages and section after section talking about the powers of the minister, yet we don't know who the minister is. Some time ago, Mr. Speaker, I tried to find out who was responsible for consumer and corporate affairs in this province. We used to have a ministry of consumer and corporate affairs, as I remember from my years in business. At times there would be complaints, and there were consumer advocacy groups that dealt with the consumer and corporate affairs department. I know that in downsizing we've done away with that department, but there still has to be somebody responsible for it in terms of consumer and corporate affairs but also in terms of the Charitable Fund-Raising Act. There has to be a designated minister.

DR. WEST: Municipal Affairs.

MR. CHADI: I'm wondering how it is that we would determine which minister would be responsible for such an Act. I mean, do we just decide? Is it on a rotation basis, or do we give these things up? Do we pick out of a hat the minister who is going to be responsible for these certain Bills? I'm told by the minister of transportation that Municipal Affairs is responsible now for consumer and corporate affairs, and that's reassuring to know, that somebody is in fact carrying on that torch.

Mr. Speaker, many times in this Assembly we have heard the words: we would try to make the best possible Bill out of what is presented before us. Let's produce the best possible legislation. In the course of the last hour or so I've heard some really decent suggestions, perhaps maybe even possible amendments to this Bill. The government of the day has to ensure – no question about it; we need to protect consumers from fraudulent solicitation. I can see where a great many aspects of this Bill will come into play and probably be ironclad and tighten up the legislation that we didn't have before with the Public Contributions Act. Now, I know that in bringing in the best possible Bill, I always keep in mind one thing. We always say that we are going to get out of the business of being in business, and those words in themselves are appealing to someone like me. Then again I see so much power in the hands of the minister, and I think that is what in fact prompted the drafting of such a Bill.

My understanding, anyway, is that in fact it was the Court of Appeal that perhaps prompted the drafting of this Bill because of an action that was commenced and was heard by the Court of Appeal. The court had some concerns. Specifically, in accordance with the court's comments, and I quote: what seriously disturbs me is that this legislation displays no right to get permission to canvass no matter how honest one is, no matter how good one's auditing controls, and no matter how good one's track record, and that permission may be refused or revoked at any time in the discretion of a government or a municipal official. Those are the words of the judge, Mr. Speaker, who said that there was far too much power in the hands, as I interpret it anyway, of the government, and it displayed no right to get permission. It didn't matter if the minister decided that, no, you weren't going to get permission to canvass. Well, you weren't going to get it. It was as simple as that, and that's why the prompting of this Bill.

An area of concern for me is not only the ministerial powers that are embedded in this Bill; it's also the fact that we talked about regulations an awful lot. I have gotten up many times and spoken to different Bills that were presented in this Legislature on many different occasions. We keep talking about regulations within legislation, and never have I seen the regulations accompany the Bills. They were always something that would be determined afterwards. For those of us who are going to have to scrutinize a Bill, we have to understand exactly what it is that we're reading when we're talking about the Bill.

MR. DAY: When did you ever see the regs in the legislation?

MR. CHADI: With respect to section 6(2), for example:

A person who makes a solicitation by telephone must, before accepting a contribution, provide the person who is being solicited with the information required by the regulations in the manner and form required by the regulations.

Subsection 3 goes on to say that they "must provide the information required by the regulations in the manner and form required by the regulations," yet I see no regulations, Mr. Speaker. We

don't know what the regulations are. Minister of Labour, that is my point. Where are the regulations? How do we determine these things? [interjections] You see, Mr. Speaker, you just rattle the cage and you get . . .

MR. DAY: Mr. Speaker . . .

4:10

THE DEPUTY SPEAKER: The hon. Government House Leader is rising on a point of order. Would you share it with us, please?

Point of Order Questioning a Member

MR. DAY: Reflecting on *Beauchesne* and the ability to ask a member a question, would the member opposite entertain a brief question?

THE DEPUTY SPEAKER: Before doing so, Edmonton-Roper, just be reminded that you do not have to give reasons for refusal or acceptance. Just a yes or no would be sufficient.

MR. CHADI: No, Mr. Speaker. There's no reason to it. It is my time to ask the questions. It isn't the Minister of Labour's time to ask a question. If the Minister of Labour wishes to ask me a question, I'd be glad to answer it. He can talk to me any time. But I'm only allowed 20 minutes, and my time is running.

MR. DICKSON: Have him stand up and debate it, Sine, if he wants to stand up later.

MR. CHADI: That's right. Mr. Speaker, the fact of the matter is that when one hon. member of this Legislature stands up to speak to this or any other Bill, if any member wishes to debate – I mean, that's what this is all about – that individual has every opportunity to get up and debate. So I encourage the Minister of Labour that when I sit down, perhaps he could get up and speak for 20 minutes, if he so chooses.

Debate Continued

MR. CHADI: Another area of concern, Mr. Speaker, is – and I know this has happened to me in the past. I've never really worked on a door-to-door canvass or a campaign. I've collected funds in the past on behalf of other organizations. But I know the difficulty and the hardship that is incurred by those that travel and, you know, give their time.

Those of us who were on the giving end more than on the collecting end would know that it would be important that the information which needs to be provided, as well as what is embedded in this Bill, would be something like the government of Canada providing that charitable number and perhaps maybe even a letter which would prove that in fact that charitable number exists. I can tell you, Mr. Speaker, that at one time not long ago – as a matter of fact, last tax year – I gave a fairly substantial donation through one of my companies to a charitable organization only to find out that in fact the charitable number had been canceled. Therefore, I wasn't allowed to deduct the portion of tax that I did. So I would think it would be important to also include something to protect those who were caught in situations similar to the way I was caught, to have that protection. I think it wouldn't be out of the ordinary if we would also ask for that information. Perhaps maybe when we draft the regulations, we could include something like that, that it's incumbent upon them

to also provide a letter from Revenue Canada identifying the current status of the charitable number.

The other area of concern that I have with the Bill, Mr. Speaker, is with respect to section 7, duty to maintain records. It says:

Every charitable organization and professional fund-raiser who makes solicitations must maintain in Alberta . . .

(b) records regarding the solicitations for at least 3 years after the solicitations are made.

This section would indicate to me that in fact if someone came to my door and I wasn't so inclined to give a donation, they would still have to record that and keep that on record for at least three years after the solicitation had been made. I'm wondering if there isn't something in there to tighten that up. Is it the intention of the drafter of this Bill that in fact we would want to have a record of every single individual that volunteer had gone to, particularly those that have gone door to door? I don't know how many times, Mr. Speaker, I have genuinely given at the office and have notified that volunteer of same and he has walked away. Now, does that volunteer have to continue to keep those records and make those records for every individual they did not get a donation from and in fact those they received a donation from, and does that charitable organization then have to continue to maintain those records for three years? It seems like an awful lot of book work, and it seems like we would be stifling the real intent here of those volunteers that are going out for charity and fund-raising.

The Member for Fort McMurray made a very interesting point, and that was with respect to section 8 and the audited financial statements for financial information. If that individual at the door – and I can only see myself at that door. Now, knowing this legislation, what is about to be passed – and I suspect it's going to pass, because the members on the other side, with the large majority, are going to holler "yea" when the question is asked. Undoubtedly it will go through, like every other one goes through, without any chance of amendment or worthy debate. When I ask that individual that comes to my door, "I want to see an audited financial statement of your organization," I'm supposed to get one. Now, I know there's a suggestion of a fee attached. But am I expected or is every volunteer expected to pack around an audited financial statement along with perhaps maybe the chocolate-covered almonds or the daffodils the Member for Fort McMurray talks about? I don't think so, Mr. Speaker. I think we've burdened an awful lot already. We've gone overboard, perhaps, with this Bill.

An audited financial statement for those charitable organizations that have collected \$10,000 or \$11,000 or \$12,000 or \$13,000 – something like this could possibly cost them half of that. Now, what's the sense of going out there and collecting these funds or working these volunteers to collect that amount of money when they have to come up with an audited financial statement that would probably cost them half of what they collected? I think there must be something in there. Perhaps we draw the line or maybe a limit, as we have talked about the limit of \$10,000 with respect to registering. We could perhaps include a limit when we talk about section 8 and the financial statements and reports.

Other comments were made. I think it was Calgary-Buffalo that suggested the receipts. In section 10(1) "a person making a solicitation must give to each person making a monetary contribution a receipt for the contribution." I know and the members of this Assembly know and all Albertans know that once we have a registered charitable organization in place, that organization then has to comply with the laws. I know from my own church, place of worship, Mr. Speaker, that when we give funds, when we give that donation, when the plate is passed around, so to speak, we're

not asked, "Do you want a receipt?" Perhaps maybe we can ask for a receipt, but it's never ever offered. In this case what's going to ultimately happen is it's probably going to discourage anyone from giving money. Perhaps it's going to discourage the organizations themselves from passing the plate around. Maybe they're going to have to say that they're not going to have that collection box which most of them have for those donations. Obviously, it would be contrary to the Bill.

There has to be some mechanism, I think, to reflect those charitable organizations that collect those funds in that fashion, the Salvation Army being another one. I mean, they stand there on the cold winter days prior to Christmas ringing that bell, and many of us have contributed I'm sure. Are they also then in contravention of the Act if they don't immediately provide a receipt for those funds that they've just collected? I think they would be, Mr. Speaker. I think we also have to imbed in this here section something that would allow those types of organizations to continue doing the work that they do in the fashion that they do without holding anybody in contravention of this Act.

Mr. Speaker, for the most part, I think the Bill has some very decent and good sections to it. I think it's good for Alberta. I'd like to see the areas that we discussed, that members on this side of the House discussed during the debate, tightened up. I know that the member who has brought this Bill forward will do his part to ensure that all members of this Assembly are satisfied.

Thank you.

4:20

MR. DAY: Mr. Speaker, I move that we adjourn debate on Bill 15.

THE DEPUTY SPEAKER: The hon. Government House Leader has moved that we adjourn debate on Bill 15. All those in favour, please say aye.

HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Opposed, please say no. Carried.

Bill 16

Workers' Compensation Amendment Act, 1995

THE DEPUTY SPEAKER: The hon. Minister of Labour.

MR. DAY: Thank you, Mr. Speaker. The Bill before us is the Workers' Compensation Amendment Act, 1995. As we discuss in second reading the principles of the Bill, I'd like to just spend a couple of minutes explaining what brought us to this stage today, where we would table such a forward-reaching piece of legislation.

I want to keep a couple of things in mind. No matter what changes might be anticipated in Bill 16, I want to assure members that the government, WCB, the employers of this province, and the employees of this province are committed to one principle that we feel is sacred. I'll refer to it as the Meredith principle, going back some 75 years, which clearly lays out that there is an agreement, there's a social contract if you will, between employers and employees in this province. The contract basically states and it's understood that the employer says to the employee, "I will pay your insurance premiums; you will be taken care of if an accident happens to you, if you are injured in the workplace," and the employee says to the employer, "I agree with that contract; I will forgo civil action and accept this particular contract." That results in what we believe is the basis for an efficient system and

the basis for an efficient system that is not complicated, as in other jurisdictions – notably some south of the border – by mountains of litigation that result from that social contract not being in place and not being accepted by both parties. So that is a principle that we are absolutely committed to, and we will do everything to maintain that principle.

Now, within that – and I've spoken before in this Assembly on this particular item – it has been noted in the past that certain problems were developing and really coming to a head into the '90s with the Workers' Compensation Board. I make these comments not trying in any way be pejorative of anybody's actions in either the WCB or in government, employers, or employees. I'm just stating a historic chain of events that gave rise to 1992 seeing the unfunded liability of the WCB approaching something on the order of \$600 million and some discussion going around, even at that time, that people may as well just accept this and in fact there was a chance it could be up to a billion dollars by the end of the century. Well, that was not acceptable to many people. Certainly it was not acceptable to me. It was not acceptable to the individual who was appointed right about that time as the new CEO of the WCB, who I believe is in the gallery today, as is the chair of the WCB.

There were other things that were unacceptable, not just to those individuals but to people from a variety of places on the political and economic spectrum. It was not acceptable that administration costs had risen to the place that they had risen to. It was not acceptable that there seemed to be a great inconsistency in claims management, and that had huge costs not just to the employers but to the injured workers, because it meant that in many cases they weren't getting decisions as quickly as they needed to get those decisions and in fact were suffering because of it. There were a number of related issues that just were not acceptable.

In discussing what could be done to turn this around and in fact what could be done to avert a catastrophe which was impending, financially alone, there were some agreements, I guess you could say, that were struck between the government and myself, as minister responsible at that point for WCB, and the board, the chairman then, Vern Millard, and the CEO, Dr. Cowell. Then, of course, these discussions and the understanding of them were passed to my own colleagues here and to those who work at the WCB and then to the stakeholders themselves, to the employees and the employers. There began to form some basic understandings.

One of those understandings, Mr. Speaker, centred on the fact that this was in fact an insurance company. However it may have been configured and may be configured to this day, it is an insurance company, not an instrument of social policy. It should not be that, but in fact a business-oriented insurance company that was out to care for legitimate concerns of injured workers. I'll just reflect down over the decades past, and I'm not saying one particular administration or one particular decade, but go decades, take it decades past.

When you have a group of people who are trying to make decisions, and in many cases agonizing decisions, if there's a sense that they are not ultimately accountable for those decisions because government will interfere somewhere along the way if the decisions become too prickly for government to handle from a political sense, if you remove from people or give a sense to them that they're not ultimately responsible for the decisions they're making, then you're going to remove the ability to see good decision-making. It's a corollary in business that anybody understands. Maybe with the right intentions but with the wrong

results, it could be recorded down over past decades – again not pointing to any administration or people – that, for instance, in certain decisions involving what settlement an injured worker should arrive at, there was always the hope that if the injured worker himself or herself didn't like the particular decision, they could take the political route, as it's called, and appeal to a compassionate MLA, who of course would, and justifiably so, take up the cause of that particular worker.

What was lacking was an assurance that the system itself was in place in such a way that there could be other ways of determining that the best decisions were being made on the part of the worker without political interference and political involvement. If you have, over decades of time, political interference in those decisions being made, what happens is that you get inconsistent claims. The ones that get interfered with politically are the ones that get inflated. The ones that don't get interfered with are the ones that remain static. You have unrealistic expectations developing. You also have, in some cases, unrealistic settlements being made, and in other cases you have settlements not being made for workers who are legitimately hurt and not getting what they should be. Everything kind of gets in a confusion.

Then what you have is a situation – and put it anywhere in the spectrum of time over the last 75 years – where the WCB as a board recognized as well that costs are escalating of these assessments. We need, then, more money from the employers to cover the costs. Otherwise, when you project what has to go out to injured workers into the future, you have a liability that is in fact unfunded. You don't have enough money to cover it.

4:30

There were times in past decades, going back over the last 75 years, where the WCB would then come to the government, because this power rested with the government, and say, "Would you please raise the assessment rate on employers because we need to cover these escalating assessment rates?" Well, if that happened to fall at a politically inopportune time, a government would be reluctant to send a message out to all employers, "Your rates are going up." So there could be some drag time there in making those adjustments that were necessary. In a similar vein there could be a lag or a drag time when the WCB would come to the government, because as it is written now, they need approval for these types of things; for instance, to raise the maximum insurable earnings that can be covered for a worker. Part of what would be welded into that would be a political decision being made. Was it the right time politically to allow the maximum insurable earnings of a worker to be raised?

These types of questions, the questions of pension increases as related to cost of living, again going from a business decision at the WCB made with the stakeholders – labour representatives, business representatives, and the public – over to the political side, to have woven into that political decisions which would often skew the nature of the decision that had to be made and the time in which it had to be made, the actual time frame: add to that administration costs that over the years were accelerating unreasonably and then huge costs of modernization, computerization, and technology through the late '80s and into the early '90s, information technology that was promised would relieve much administration and maybe even relieve the need for the size of workforce within WCB, yet not seeing those goals realized. Start adding all these in together, and you see the need for some tough decision-making to be made, for the Meredith principle to be kept sacred, and for government to say and realize that this money – and this is an important fact that many people today still don't

realize – which funds workers' compensation and injured workers is not taxpayers' dollars in the sense of the broad tax base.

Those are employer dollars. That is businessmen and businesswomen from their company proceeds funding that operation. General revenue dollars are not involved. This is an insurance company funded by dollars from the employers. Because of that, over two years ago now a number of decisions were arrived at and agreed on: that certain things would take place to address the unfunded liability, to deal with the escalating claim costs and the inconsistent management, to rectify the concerns with the administration costs. In all of these areas which I've mentioned, there had to be some tough decisions, not the least of which was the government saying, "We're going to keep politics out of this, and we're going to put care of people and running of business as being the key and guiding principles."

I could talk for quite a while on the results that have been achieved over two years, but I'll briefly summarize by saying that there has been an increase on the pension side to injured workers without political interference, even though Executive Council still had to make that decision. There was a rise in the maximum insurable earnings that could be covered for injured workers, benefits to workers. There was in October a decrease of 7 and a half percent right across the board in terms of assessment rates for every employer who was paying into the operation. There was an actual decrease. If their experience rating was bad, then it would move up, but everybody across the board got the 7 and a half percent decrease. The unfunded liability has been brought not just to zero, but the audited reported statement of the WCB shows there's actually a surplus in place now. That two and a half years of very hard work – on which WCB, the board, the CEO, and workers have to be congratulated on tough, innovative programs put into place and readjustments made – has resulted in workers being covered now without an unfunded liability and with employers knowing their assessment rates are not going to go up because this unfunded liability is continuing.

So showing that that process of depoliticizing this arrangement works, we now need to protect in legislation what has proven to work in policy. We've tried the policy; it works. It will be favourably compared right across this country, especially, without mentioning any particular provinces here, to some provinces that are at catastrophic levels of unfunded liability and claims management, absolutely catastrophic levels. We have a different situation in Alberta, averaging out, in most categories, probably running the second lowest in terms of assessment rates.

Now, showing the policy can work, we want to legitimize in legislation what we have found to work. That's why, for instance, in the area – if you have your copies of the Bill, I will not go clause by clause through it because this is second reading. Before I get ruled out of order – I don't want to do that but to reflect the principle of which I speak today; for instance, the issue of the unfunded liability. We now have legislation before us that will make it illegal for the WCB to have an unfunded liability again, much as we've done in other areas of government in a broader area. That has been applauded by – and by the way, I'll mention that this Bill already has received much consultation on the labour side, the business side, with community groups, municipal groups, to make sure these are the types of things that are being asked for. So that's why you'll see in here a reflection of that principle: unfunded liability will no longer be permitted.

There will be the permission of a rate stabilization fund, not a fund that can just balloon to untold proportions but a fund which recognizes that a day may arrive, which I hope never does, that

there might be something at a catastrophic level happen in the workplace that could devastate an entire industry in terms of not being able to fund the result of that catastrophe. If you have that rate stabilization fund, either an economic catastrophe or in fact an industry catastrophe can be averted by having the fund in place, a clearly delineated and designated fund which cannot be drawn on. But when you put that thought together, moving this into a rate stabilization fund, you also prohibit forever a government from saying: "Hey, there's a surplus over there at WCB. Let's reach our hands in there and take some of that employer money and pull it back into general revenue." What you're going to see here, the principles enunciated in this Bill, will prohibit that from happening.

As you look through your Bill, you'll see, for instance, that in terms of certain appointments and certain hirings it's really a conflict. It doesn't make sense that the government, Executive Council, should be the one recommending, for instance, the president who is to be appointed. That's something a board of directors needs to work on, look at, to get the best person possible and not worry about political interference. I'm sure the members opposite will again applaud that type of particular directive, even, as I've noted in some recent advertising of their own, taking that broad sort of public approach and not being political on key appointments in places within their particular operation.

That's why you'll see here in the Bill . . . You know, it goes from large things like determining there won't be an unfunded liability to – here's a section that really shows how the principle has become skewed over the years. Right now the Lieutenant Governor in Council will even get into proscribing things like funeral expenses, clothing allowances, per diem allowances when workers are required to travel at the direction of the WCB. That board, with their worker representatives, should be able to make those decisions and not have to worry that this or any government would try and press down on that because it might not be the politically right time to allow for those types of things to be covered and to be considered.

The area of maximum insurable earnings. Again, that is a business decision that needs to be made by the stakeholders: the labour reps, the public reps, the business reps. If the maximum insurable earnings should be raised, that is a business decision that needs to be implemented by the board and that the board needs to be held accountable for.

The whole question in section 131 on page 8 dealing with operation of programs: right now the WCB needs the legislative authority to operate certain programs that they feel, again from a business perspective and working with injured worker groups and advocates, are the types of programs that are actually going to result in injury reductions. They need the legislative authority to be able to make those decisions. We've seen that when those programs are in place with various industries, you actually see injury reductions. There's a strong feeling, we're absolutely committed to the belief that there's more that can be done in terms of seeing injuries reduced, therefore claims reduced, and therefore assessments reduced, and everybody benefits all around.

4:40

Related to the Financial Administration Act, there are provisions in this particular Act, if you look at section 149, that again recognize that the WCB is going to be accountable and will be held accountable. There are certain arm's-length provisions in this Act that are going to be implemented to reflect, again, the policy that we have seen and is proven to work. But even with that, so that members don't get nervous, there are sections

149.1(1) and especially 149.1(2), which still allow the Lieutenant Governor in Council, if the whole thing was absolutely going off the rails, to make certain regulations and directives to halt or alter a situation that I don't foresee ever happening.

A safeguard is there within the Financial Administration Act to provide an ultimate protection yet still allow the WCB to do what they have to do. That again is reflected in the belief that hiring the auditor should be done by the Auditor General in consultation with the WCB, making it possible that you're going to have maximum efficiency of WCB dollars. If they have the opportunity for input into who does the audit, they can have somebody who not just would come from the Auditor General's shop per se but is somebody with the type of taxation expertise, financial expertise, investment expertise that would be able to truly do an audit into every nook and cranny of that operation and really reach in and make some strong suggestions and good suggestions that otherwise may not be possible if you're using somebody who's coming from the slightly narrower focus of just doing an audit for the purpose of government. You go to a public auditor in consultation with the Auditor General – that's an important point – and the Auditor General is the one who hires, fires, and reviews all the work done by that particular auditor who would be performing the work so that everything is available and exposed and presented.

My time is up. Those are the broad principles that we're looking at, and I'll look forward to suggestions on how that might be supported.

THE DEPUTY SPEAKER: The Chair would ask the Assembly if we would permit a brief reversion to Introduction of Guests? Are you in agreement?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? Carried.
Calgary-Montrose.

head: **Introduction of Guests**
(*reversion*)

MR. PHAM: Thank you, Mr. Speaker. It is my pleasure today to introduce to you and through you to Members of the Legislative Assembly some of my very special friends: Mr. Dung Ngo, Mrs. Nga Ngo, Paul Cho, Kader Houssaine, and Thu La. These people are my constituents, and one of them has come all the way from California, U.S.A., to be here today to see the House in action. I would ask them to rise and receive the warm welcome of the House.

Bill 16
Workers' Compensation Amendment Act, 1995
(*continued*)

THE DEPUTY SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. It's my pleasure to address Bill 16 this afternoon and open the debate on it from this side of the House. I agree with the Minister of Labour: it is a social contract that is extremely important to all workers in this province. I would indicate to him that I would endorse the principle that is being attempted with Bill 16. I understand, it being an insurance policy as well, it's not a drain upon the general revenue fund of the province. I would not be quite as supportive as the hon. minister was in his comments, mainly because of the

concerns that are addressed to me on a regular basis by injured workers.

[Mr. Herard in the Chair]

Before I launch into that, I would take the opportunity certainly to offer my congratulations to Dr. John Cowell and the WCB employees for the financial turnaround in the organization itself. In speaking with Dr. Cowell about a month or six weeks ago, he shared with me that the improved financial position was a result of approximately 200 employees being laid off, there was a growth in revenue through insurable payroll, I think there was a significant increase in the investment income, and there was a reduction of administration costs by \$4.4 million. I think that's desirable. If I recall correctly, there was a review of the actuarial tables that reduced the future financial projections or responsibilities, I guess I'd call it, by some \$200 million. The last, if I recall correctly, was the reduction of claims which resulted in a savings, again, of somewhere in the neighbourhood of about \$200 million. For the first four of those points, Mr. Speaker, I would heartily congratulate the president and his staff.

Points five and six, though, do cause me some concern. In consulting with the industry, one of the concerns they echoed, which I myself shared, was the fact that with the review of the actuarial tables, it seemed almost magical that we could reduce the long-term financial responsibilities to injured workers simply by doing that. I guess the questions that popped into my mind when I was reviewing that – and I'll move to the autonomy of the Bill as we go through the debate here and why I'm concerned a little bit about that autonomy. I think when we look at those actuarial tables – and it's never been conveyed to me; maybe I'm remiss because I didn't ask the question of the president – I would wonder how many people were actually in the appeal process when the actuarial tables were reviewed and whether those in that appeal process were concerned. The unsettling question in my mind when I looked at that particular aspect was that what we're seeing here is – and I would ask this in a question. Are we telegraphing, with such a drastic reduction in actuarials, that this really is more a philosophy of reducing those that are entitled, and are we causing more of a backlog in the appeal process? The latter draws a lot of concern in my mind, particularly when I review the Claims Services Review Committee appeal process and the other appeal process.

I don't quibble with the philosophy of the Bill, and I think as the Minister of Labour indicated, it's very critical that we remove the political influence. It's been my experience that today there's a tremendous frustration with the WCB by a lot of injured workers, and they turn to their politicians, not to give magic solutions but to help them through the process, which is cumbersome and very frustrating. As the Minister of Labour indicated, the philosophy is to create more autonomy for the corporation, and that's the overriding principle of the Bill. Now, most corporations, Mr. Speaker, would be very desirable of unloading or removing any sort of government interference in their affairs, and I don't think anybody in this Assembly would argue against that particular solution.

However, as I indicated, in the last few months of carrying the title of WCB critic and dealing extensively with workers' claims across the province, the autonomy does cause me some concern, and I'll elaborate more on that as I move through my debate here. There seems to be a growing number of workers that are being forced into the appeal process. Many of these workers, from my

handling and dealing with the cases, have been on compensation for years in some cases, and generally speaking it's to deal with debilitating back injuries. I don't want to belabour or prolong this, but I think it's necessary to set my discussions to frame the chat about the autonomy and the concerns I have. Now, these back injuries, generally speaking, aren't what we'd call soft-tissue injuries; they're rather debilitating spinal cord injuries, your disk damage injuries. More often than not, I'm running into the comment by the WCB caseworkers that what disqualifies these people after receiving benefits for some years is that they really are into degenerative disk disease. I think all of us in this Assembly would realize that what we're talking about there is, in layman's terms, the aging process.

Now, the hon. Member for Red Deer-North has indicated many times in this House that he would like to lengthen that arm's-length distance the government presently has with the WCB, and I think that's desirable. If the WCB was working in a perfect world and the efficiencies were there, I would be very willing to support the Bill wholeheartedly, as the Minister of Labour has. I do have some concern that if too much autonomy is given, then there will be no one to look over the WCB's shoulder. He has indicated they are efficient, they have made some good strides, and they have captured some more efficiencies, but the internal workings here are causing me some concern. The internal workings seem to be, in the view of the injured worker, ones of frustration. Now, if that wasn't being conveyed to me, my worry would be a moot point. Unfortunately, as I say, there seems to be in the injured worker's mind a concern or a thought that they're not receiving fair entitlement. So, Mr. Speaker, I on one hand embrace the philosophy of more autonomy, but I would have to say that I'd like to see the WCB embrace more fairness and efficiency, in my view, and I am apprehensive on behalf of the injured workers that there will be no one to oversee.

4:50

I think probably to elaborate on that point if I could, just to bring it again into focus, we have the two appeal processes within the WCB. I'll ask the indulgence of the Assembly here just to review it in my own mind to make sure that in fact I have it correct and also to refresh them. We have the Claims Services Review Committee, which is an informal appeal process that generally is conducted in an informal setting. We also have the Appeals Commission, which operates independently from direct management of the WCB. I would suggest that's a very necessary separation. In both cases WCB workers actually provide guidance and assistance to injured workers through the appeal processes. However, from my experience and most of the comments that I've received, the Appeals Commission holds high regard in injured workers' minds. It seems to work fairly well. It seems to be a good partnership. The red flag I see is the fact that when you are before the CSRC, the Claims Services Review Committee, for appeal – the figures that were provided to me were that some 80 percent of those appeals are upheld in favour of the WCB caseworker. Now, if we take that to the next step, the Appeals Commission, the figures that were provided to me were the fact that the Appeals Commission is overturning 80 percent of those appeals that the CSRC turned down. That, to me, suggests a large concern with the internal workings and my ultimate concern with too much autonomy. The other concern that ekes into that in my ever suspicious mind . . .

MR. DAY: Mr. Speaker.

THE ACTING SPEAKER: The hon. Minister of Labour is rising on a point of order.

Point of Order Questioning a Member

MR. DAY: Actually, just referring to *Beauchesne*, where it indicates a member can ask another member if he'd entertain a question, would the member opposite entertain a question?

MR. KIRKLAND: No.

THE ACTING SPEAKER: Proceed.

Debate Continued

MR. KIRKLAND: So the concern I have with the CSRC – and as I indicated, it's just my suspicious mind that works that way – is that perception that that many are being turned down by the CSRC. Will that eke into the Appeals Commission? I have that concern, and it's been also conveyed to me in the research I've done on this matter.

Now, the stated objective of Bill 16, to establish a legislative requirement to operate in a fully funded manner, I can't argue with that. Remove the government as a guarantee of the WCB liability if they run into that or establish a reserve fund: I don't consider in principle this to be a tremendous detriment. I do see where that can actually cause some increased pressure on the Appeals Commission if they are not in step with the WCB, the corporation's philosophy of attempting to reduce the financial commitments. Thereby, you can see that I would think it may work to the detriment of the injured workers in the long run.

The Bill also, Mr. Speaker, provides for one member to hear a CSRC appeal process. Now, on the surface I think that appears to be positive. It should reduce what I'm sure is at least a three-month appeal hearing for the Claims Services Review Committee. It would reduce that particular backlog, I would think, but what it will do, if we are to look at the figures of rejection, is accelerate more to the Appeals Commission, which will put a greater demand and pressure on the Appeals Commission. If you talk to the commissioners today, they are struggling with the workload they presently have, and I would hate to think that their preparation time to arrive at a nonpartisan and objective appeal process is jeopardized. So that concern, that the Appeals Commission and their very sound judgments and decisions will be jeopardized, is very large in my mind, and it's large in the injured worker's.

It's predicted there will be a 40 percent increase in the number of cases proceeding to the Appeals Commission, and such an increased workload, I'm sure all members can realize, will cause one of three things to happen. The added increase to the Appeals Commission will probably increase the 150-day turnaround time period that generally is targeted today. I think that, of course, works to the detriment of the injured worker. I think when you backlog it to a greater degree, it will undermine the confidence that the injured worker has in the appeal process. I indicated in an earlier comment that the Appeals Commission does carry some respect with the injured worker. I would hate to think that the level of frustration will spill over into that area. As I indicated in a previous comment, it will reduce the time the Appeals Commission actually has to review the cases before them.

That brings me to a concern with another aspect of the Bill, and that is the time frame that's addressed in the Bill, that one-year time limitation. Now, I know there's provision there for the chairman to extend that particular one year. I think the shortcom-

ing of that extension is that there are not clear criteria laid forth as to why that one-year time period should exist. I think it's important for the Bill to address that so one can operate from a level of comfort if you're an injured worker. That unilateral override by the chairman, Mr. Speaker, I think has the potential again to incur pressure, particularly if the WCB is not embracing the financial philosophy of the institution. That is internal workings again, as I indicated in my earlier comments.

I would like to think that the underlying strategy certainly isn't to overload the Appeals Commission and further – I won't say further because that's not a true statement – actually erode the very sound process that's there.

So, Mr. Speaker, although the autonomy the WCB is seeking in Bill 16 on the surface certainly appears to be a very positive note of accountability, I find in reviewing it that it does nothing to ensure that the system in place is actually objectively serving the injured workers of the province. That is more a concern – and with due respect to the WCB workers, because I know they have a tremendous workload – that there is some need to improve the process to expedite things. There have been many studies completed on the actual internal processes employed by the WCB and its employees today. Unfortunately, a lot of them never see the light of day, and I think, unfortunately again, that would bring some suspicion to the workers' minds.

If the WCB was functioning as smoothly as I envision it can, Mr. Speaker, as I indicated, I would be very quick to support the Bill. Unfortunately, some of those internal workings have not been corrected over the years. It does cause me concern that there will be no external eyes to assist or force the WCB to improve that. Now, the president, as I indicated, has certainly turned it around. Compliments to him. I've had a discussion also on some of those internal workings. He's given me some assurances there. I take him at face on those particular matters. I would certainly offer that there is more improvement to come there.

On a semipositive note, Mr. Speaker, the empowering of the board of directors, as the hon. Minister of Labour indicated, to appoint the president, instead of the appointment coming from the minister's office through the Lieutenant's Governor's office, is a move in the right direction. It does in my view, though, fall a little short, because the board itself is politically appointed in many cases. If we're truly looking for autonomy, I would suggest that that board should be open for competition as the Appeals Commission was open for competition. They selected nine commissioners from across the province. I think that was a very positive step, and I think the board certainly could be improved as a result of that.

5:00

The Minister of Labour also indicated that it was a positive step to have the Auditor General appoint an independent auditor under the amended section 87. I would suggest that certainly I don't see a large concern with that. However, it's not clear in the Bill whether the Auditor General can initiate that audit on his own. That's a bit of a safeguard, as I see it. It's also unclear whether the freedom of information and privacy Act or the Ombudsman Act will apply to its activities. I think that these two Acts should have clear application before the WCB is provided with that complete autonomy.

There are a couple of other deficiencies, I guess, that aren't addressed in the Bill. I'm not sure that the Bill can address them, but I'm going to leave them on the table and see if the hon. Minister of Labour can help me through them. One of them is the growing resistance in the medical community – and I spoke

with the president on this matter – when it comes to accepting patients with WCB claims. This resistance is really as a result of the onerous paperwork that is associated with a WCB claim.

That's one of them, and the other is the constant challenge of practising physicians' and experts' decisions by WCB caseworkers and also the medical establishment that consults for the WCB. It has arrived at the position and perception that the consulting physicians are working not as an objective party but more for the WCB. Now, as I indicated, I brought this up with the president, and he indicated that the Alberta Medical Association certainly has guidelines and rules and indicated that you cannot actually refuse a patient, regardless of what his malady may be. The reality of the situation is that there are doctors who are stepping back from WCB cases because they do not have the time nor is it worth their while to assist. So I'll leave that on the table. I'm not convinced that legislation can address that. It is a concern expressed to me by many injured workers.

The other aspect. Again, it's not legislation, but if in fact these were not prevalent or present, I would not have concern with the legislation. I've been informed that 70 percent of the claims that are considered by the Appeals Commission itself have some form of erroneous information associated with them. Of course, this complicates and delays the process. I would just throw that out for discussion and some assistance as to how we get through that.

Mr. Speaker, as I indicated earlier, if I thought that the internal process was working very, very efficiently – and I know that a corporation this large always has some difficulties with capturing that – I could support the Bill wholeheartedly. But the level of frustration as conveyed to me by the injured workers across the province that are calling my constituency office leads me to believe that it might be just a little premature to move into that autonomy that the Bill wants to address.

I would support the hon. Minister of Labour's comments that education is a very large role of the WCB. The Bill does not address that. I would like to think that they certainly would be very helpful in reducing accidents throughout the province, not only by the merit testing of each industry but also by encouraging them to capture that.

I see the rate stabilization that the minister spoke of as being a positive step. There has to be some criteria set there to ensure that the rate stabilization has some relativity to the fees collected from the employers.

With those comments, Mr. Speaker, I will conclude my initial discussion on Bill 16.

THE ACTING SPEAKER: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thanks very much, Mr. Speaker. There are a number of observations I want to make with respect to Bill 16, but I want to start off by simply lauding the work of Dr. Cowell. I think it's fair to say that Albertans can be very proud of what we've been able to do with workers' compensation in this province. I think that the extent to which it's been put on a very sound financial basis surely must be the envy of virtually every other province in the country. I join with other members who have recognized and acknowledged that very impressive recent record. I think we've been fortunate. We've had some excellent leadership in the past with Dr. Vern Millard and now Dr. Cowell in terms of this very important agency.

I do have some concerns with respect to Bill 16. I guess one of the first ones is with respect to regulations. Section 22 of the

Bill: a provision for "the Lieutenant Governor in Council, on the advice of the Treasury Board, [to] make regulations and issue directives," an element of where the Financial Administration Act would apply. I ask this minister, as I've asked his colleagues, whether his intention is that any regulations pursuant to Bill 16 will be brought in front of the Standing Committee on Law and Regulations, chaired by the Member for Calgary-Shaw. In anticipation of the minister of transportation saying in a stage whisper, as he's wont to do, "We don't bring regulations in that way," I just refer him to the Zander committee report, a select special committee of this Legislature from 1973, which recommended specifically that. So I'd like a response from the minister. If I'd have that kind of response from the minister, that would be helpful in allowing me to determine whether I'm able to support this Bill at second reading.

The other point has been touched on by my colleague for Leduc. At the same time that we're sort of off-distancing the Workers' Compensation Board from the cabinet and the formal arm of government – and that's done ostensibly to allow a board more independence and presumably to be more responsive, to be able to exert a tighter kind of control perhaps than sometimes government or quasi-government boards can provide – I understand that objective in terms of fiscal responsibility. But I have this concern, and my concern is heightened when I hear the minister, in introducing the Bill at second reading, talking about political interference. He said that in the context of talking about MLAs raising concerns.

Well, Mr. Speaker, at some point I think we have to acknowledge in this Chamber that there's a reason why the Ombudsman legislation was developed. There's a reason why we're talking about a freedom of information regime. The reason is that bureaucracies don't always get the job done. What we've found is that simply the parliamentary system and having ministers, at least in a nominal sense, accountable in this Chamber doesn't provide a full measure of accountability and the kind of completeness that Albertans need to be able to respond to bureaucratic excesses, bureaucratic mistakes and errors. I think we have to recognize that there's a reason why we've grafted these other things on like the Ombudsman, like freedom of information. Although neither of those two items have been addressed in the four corners of Bill 16, I have an uncomfortable feeling that the intention of the minister is that freedom of information wouldn't apply.

When I look at the Ombudsman Act, section 11 defines the duties of the Ombudsman, and it's quite specific. The Ombudsman has no mandate other than a statutory mandate set out in section 11. Just a quick review suggests that the Ombudsman only has the power to inquire in terms of things done by a minister. It refers also to a "department or agency," but agency is defined in section 1(a) of the Ombudsman Act to be one of 11 different agencies. So the jurisdiction of the Ombudsman is actually quite narrowly defined, and I'd have to say quickly that it appears that the Ombudsman would not have jurisdiction to deal with complaints. Well, I've been in the Chamber only a short time, but the reality is, as I understand it, that the Ombudsman tells us year after year after year in his annual report that the biggest single source of complaints relates to workers' compensation.

5:10

THE ACTING SPEAKER: The hon. Minister of Labour is rising on a point of order.

Point of Order

Questioning a Member

MR. DAY: Would the member opposite entertain a brief question?

MR. DICKSON: Absolutely.

Debate Continued

MR. DAY: Is the member aware that when the Ombudsman actually picks up and follows through the research on the complaints that he feels are justifiable, you can count on virtually less than the fingers on one hand the number of cases in a year where he in fact says that there was an administrative error actually committed. That would be, say, on a caseload of about 33,000. There might be four or five where in fact he rules there is administrative error that has happened. Is he aware of those statistics?

MR. DICKSON: Well, the short answer: I wasn't aware of the precise statistics.

It puts me in mind of maybe a principle we should come back to. You know, the workers' compensation legislation does something fundamentally important. It takes away the right of an injured worker to sue, one of the most basic kinds of entitlements that people in a country like Canada take for granted, and even if there were only five Albertans, Mr. Minister, people who are involved with WCB claims, we may be talking about an inability to work for the rest of their life.

MR. DAY: They can still go to the Ombudsman.

THE ACTING SPEAKER: Through the Chair, please.

MR. DICKSON: Well, I'm getting some off-the-record advice from the minister, who I appreciate is trying to allay my concern, and I think the message he's trying to give me is that the Ombudsman will still have jurisdiction. Having regard to section 11 and section 1(a) of the Ombudsman Act, that's not at all apparent, and if the minister has a legal opinion from the Department of Justice or Legislative Counsel, I'd ask him to share that with us and in fact table it in the Legislature so that I can say to my constituents – like every member I have a number of people who have WCB complaints. I'd like to be able to say to them with some confidence: "No problem. You still will have the recourse." It's not at all apparent to me on the plain reading of Bill 16. I appreciate the advice from the minister that his intention is that the Ombudsman would still have jurisdiction to deal with it.

I guess the other issue, then, is: will the freedom of information regime apply? I'd be happy to sit down, if the minister wants to ask me a question which will allow me to elicit a response to that, because that's the other thing that's critically important to me. We don't know of course in the Freedom of Information and Protection of Privacy Act – and it may be that the Minister of Public Works, Supply and Services, who's paying rapt attention to this debate, is anxious to give some clarification. That's another area that I think I would have to have assurance on before I'd be able to consider supporting Bill 16.

That, then, perhaps neatly leads into another concern I've got. It has to do with what the distinguished Minister of Labour referred to as the merit principle. He said that in the context of discussing the board. Well, I'm trying very hard to understand . . .

MRS. BLACK: Try harder.

MR. DICKSON: It's suggested not hard enough. Well, I'm trying as hard as I can, Madam Minister of Energy.

The business of appointments to a board. I still remember the Premier giving us a very heartening kind of assurance – what was it? – two years ago, Mr. Speaker. He said: we're going to start appointing people to government boards and agencies on the basis of merit. But we keep on looking at the evidence, and we simply don't see it. I can't read the placard that's . . .

MR. DAY: Point of order, Mr. Speaker.

THE ACTING SPEAKER: The hon. Minister of Labour is rising on a point of order.

Point of Order Imputing Motives

MR. DAY: Under 23(i) of Standing Orders, I think the member opposite might be unknowingly falling into an area here of imputing something which absolutely should not be imputed. He's saying that I referred to the merit principle. It is the Meredith principle, named after the individual who enunciated this quite some number of years ago. I'm not talking about merit principle; it is the Meredith principle. I thought all members understood that.

THE ACTING SPEAKER: Does the hon. member wish to reply to the point of order?

MR. DICKSON: Well, no, I appreciate the clarification from the minister, and for two reasons. Firstly I've got some information I didn't have before, and secondly, it tells me that he's paying rapt attention to what's being said from this side. So on both counts I appreciate it.

THE ACTING SPEAKER: With respect to the point of order, I did not detect the member imputing or trying to impute or mislead or any of that sort of thing, so the hon. Member for Calgary-Buffalo may continue.

Debate Continued

MR. DICKSON: Mr. Speaker, thanks for the clarification from the hon. minister. Then I can't even take the small comfort that I was trying to take from his introductory comments. I thought he was going to pursue a different path and was going to commit that the people on the board and the chairman of the board were going to be appointed solely on the basis of merit.

The concern is this: when we look at the recent history of this government – and I'm thinking specifically of the appointments to the Alberta Human Rights Commission, the chief commissioner appointment. We saw what the government attempted to do with the NRCB chair, and we've seen what's happened more recently with the government's attempt to simply nominate a designated individual to be the all-important new freedom of information commissioner. What happened to the merit principle or the commitment of the Premier that each of these key positions was going to be appointed on the basis of merit after an open competition?

THE ACTING SPEAKER: The hon. Minister of Labour is rising on a point of order.

Point of Order Imputing Motives

MR. DAY: Well, Mr. Speaker, previously I thought the member opposite just misunderstood.

THE ACTING SPEAKER: Citation.

MR. DAY: Twenty-three (i) again, imputing motives and allegations. I thought he just had a misunderstanding, being unfamiliar with the term Meredith principle, which I thought was fairly broadly cast and people understood that, but in fact now he is going on to suggest that there is in the appointment process something that might be less than honourable going on. He is completely not listening to his own members who only moments ago congratulated the government for the very open, advertised process of having directors appointed. So I wish he would, if he's not going to listen to me, at least listen to his own members who've already applauded us for that.

THE ACTING SPEAKER: The hon. Member for Calgary-Buffalo on the point of order.

MR. DICKSON: You know, the point is that there is absolutely no point of order raised by the member opposite. I'm talking about a principle, a principle of appointing people to key positions on the basis of merit and adhering to it with all important tribunals and commissions and agencies. That's the principle I'm talking about. I don't see how that either has or can possibly offend any of the Standing Orders of this Chamber or any article in *Beauchesne*.

THE ACTING SPEAKER: Hon. members, I think what we have here is a difference of opinion.

The hon. Member for Calgary-Buffalo.

Debate Continued

MR. DICKSON: Yeah. The other point I'd just make, Mr. Speaker, is that when I stand in this Chamber, I'm speaking on behalf of my constituents. I from time to time will have disagreements with members on both sides of the Chamber, but what's important, I think, to the people in Calgary-Buffalo is that if government is going to get out of the business of running workers' compensation, if government is going to start turning all of these things over to an independent or quasi-independent board, my constituents want to have an assurance that those people are going to be appointed on the basis not of who they know, not what political party they've been involved with, not who they helped get elected, but because they're absolutely the best men or women for the job. I think that's a fundamental principle. Every time we start talking about a board like this, I expect the government to recognize that they're going to encounter this kind of skepticism.

5:20

One other specific item, sir, and this relates to section 7 in the Bill, when I can put my hands on it. There is a provision in terms of extending an appeal period. The one-year appeal period is important because as I say again, if somebody has lost an arm or an eye or has effectively lost the ability to be able to support themselves, they've already forfeited by statute the right to be able to sue and seek compensation. The appeal period is extremely important. This may be that Legislative Counsel is simply overworked and the Department of Justice hasn't been able to

direct their usual keen eye to the Bill, but typically when you have an appeal period and there's provision for an extension of the appeal period, you have to be able to indicate whether the application can be made before the expiry of the appeal period or after the expiry or it doesn't make any difference. Section 7 is silent on that, and it may well be that that would be interpreted to mean that if the application for an extension was not made before the expiry of the one-year period, there would be no opportunity

to extend it. I think a very minor amendment, which hopefully the minister will consider, will make it absolutely clear that a legitimately injured workman would be able to apply even after the expiry of the one-year period.

Those are my comments, and I look forward to the response of the minister. Thanks very much.

[The Assembly adjourned at 5:22 p.m.]