

Legislative Assembly of Alberta

Title: **Tuesday, May 2, 1995**

8:00 p.m.

Date: 95/05/02

[The Speaker in the Chair]

THE SPEAKER: Please sit down.

head: **Government Bills and Orders**

head: **Second Reading**

Bill 31

Securities Amendment Act, 1995

[Adjourned debate April 27: Dr. Percy]

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

DR. PERCY: Thank you, Mr. Speaker. I'd like to conclude my remarks regarding Bill 31 by saying, first of all, that we support the principle of the Bill. It has a number of very positive features, one of which allows for much more rapid accommodation of harmonization in a very rapidly changing market. The concerns we have had about certain portions of the Bill -- we've consulted with stakeholders, with the commission, and various groups, and at least it appears that any concerns about the underlying principles of the Bill have been satisfied.

With those comments, then, I'd like to conclude my statement. Thank you.

THE SPEAKER: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I'm delighted to join debate on second reading of Bill 31, the Securities Amendment Act, 1995. What the Bill does, as my colleague for Edmonton-Whitemud indicated, is move the Securities Commission into a structure that will be essentially an industry-funded provincial corporation. That is a structure that I and my colleagues have long supported, making the Alberta Securities Commission funded, rather than from the general revenue fund, from the industry that uses that provincial regulatory structure.

Beyond that, Mr. Speaker -- and I will say to hon. members that I rise in support of the principle of Bill 31 -- what the Bill goes on to do is give the Securities Commission much greater powers of enforcement and adds to the Bill a rule-making ability. What's interesting is that it in fact makes the existing regulations rules of the commission, and in the text of the Bill it repeals the existing regulation and makes that a rule. The funds that will support and run the Securities Commission will come from industry, from self-regulated organizations such as the Investment Dealers Association and the Alberta Stock Exchange.

The comment I want to make with respect to this Bill is that I think it needs to be questioned as to whether or not the Bill needs to go this far or at least to express some concerns about how far the Bill does go. I say that again, Mr. Speaker, in the context of supporting the Bill in principle but wanting to make some comments.

There are two issues I see that the Bill deals with. The first issue is money and the second is power. With respect to money Bill 31 comes to the Assembly in the form that it does on the premise that the securities industry is of the view that since it is self-funding essentially now and since the Securities Commission has for the last couple of years been a net contributor to the general revenue fund, it should have the ability, the opportunity,

and the legislative structure to essentially run the Securities Commission as an industry-funded provincial corporation.

The concern I first of all want to express on this point is that that clearly is recognized at this point in time where the securities industry in the capital markets are very active and indeed the Securities Commission does fund itself and leave net revenues available to the general revenue fund. The concern of course comes in times -- and there are always times, and there is always a cycle, Mr. Speaker -- when the capital markets, when the securities industry is not as active, is not as healthy, as it is today. It wasn't that long ago that we saw a downturn in the capital markets -- I think it was 1988 that we had the Black Monday, if I have my year correct -- and there was a significant drop-off of new investment. There was a significant drop-off of IPOs, initial public offerings. When that situation occurs, the question is: how will the commission be able to respond if there is not the backdrop of the general revenue fund in the operation and funding of the Securities Commission? In the structure we have now, some of the concerns that the Securities Commission relates to government and some of the concerns that are being expressed by industry to government are in the context of efficiency, of staffing, of being competitive at the regulatory body with industry in and of itself.

I would think, Mr. Speaker, that there is opportunity for the government to deal with and accommodate those concerns without this significant jump from the structure that we have now to the structure being proposed in Bill 31. For example, does the hiring freeze have to be imposed on the Alberta Securities Commission? Can the government not look at renegotiating compensation for their professional staff? Is it a question as to whether or not the Securities Commission is unresponsive, or is it a question as to whether or not the government is unresponsive in not being able to address specific concerns rather than moving, as I say, significantly into a brand-new structure that will exist in Bill 31?

The other issues. Money is the first issue and power is the second. My understanding is that the rule-making ability being given to the Alberta Securities Commission comes from some recent case law that I understand occurred in Ontario where the rules of the commission, as they stood at the time, were challenged by an individual, I believe, who was being dealt with through a notice of hearing at that Securities Commission and challenged the constitutionality or the ability of the Securities Commission to impose the penalty or follow the enforcement procedures that it had with the legislative framework it was working under. My understanding is that the court agreed with the applicant that the Securities Commission had gone beyond what it was entitled to do in the legal and legislative framework it was operating under. Therefore, it seems to me that what the government is doing in Bill 31 is moving into an area where the Securities Commission will now have rules that have the same force and effect in law as an order in council, as regulations. That is, as I say, Mr. Speaker, a significant change in the way a securities commission operates, the argument, I suspect, being that it was necessary to allow the commission to function properly. But to suggest that an arms-length, industry-funded, provincial corporation has the same rule-making power as the Lieutenant Governor in Council is obviously very significant.

Now, it has to be recognized I think, Mr. Speaker, that the Securities Commission right now is a self-governing body and has for many years made its own rules. Those rules exist in the forms of orders, blanket orders, policies, national policies incorporated by reference, and notices. All of those processes and statements that are made by the Securities Commission in relation

to those who use or are exempted from the capital markets apply. So there is already regulation of the capital markets by the Securities Commission under the legislative framework that it operates under now. The question I suppose is: can there be a way of dealing with the problem that is less severe, that is less of a concern than giving a commission, an industry-funded professional corporation, the same powers as the Lieutenant Governor in Council? That obviously is an issue that is of concern.

8:10

Mr. Speaker, I think it was in the late 1980s that a report was called for by the provincial government on the structure of the Alberta Securities Commission. I can't recall the name of that paper, but I recall that Chip Collins sat on that report as did, I think, Professor David Jones. The reason for that report and for that committee looking at different models for the Securities Commission was because there was a perception that the administrative arm of the Securities Commission was also the quasi-judicial arm of the Securities Commission. So the chief administrative officer of the Alberta Securities Commission would require the investigation, would require the hearing, and would then sit in judgment on that hearing. The concern that was expressed in the capital markets and the public at large was that the blending of those two positions was perceived to be a miscarriage of justice in that the same person who ordered the hearing was the person that adjudicated on that hearing.

My recollection, Mr. Speaker, is that there were five models that were put forward to the then minister, Elaine McCoy, and the model that was chosen clearly demarcated the board function of the Securities Commission from the agency function of the Securities Commission. So the chief of securities administration and the agency fulfilled the role of the administrative arm of the Securities Commission, and the chairman of the board and his counterparts sat on the hearings of the issues that came before it. So there was a clear demarcation between the agency side that carried on the day-to-day business and the governing side and the quasi-judicial side, which was the board itself.

Mr. Speaker, I think that structure, if I'm reading the Act correctly and if I recall correctly, exists today in the existing sections 13 and 14 of the Securities Act as it stands now. So we have the agency and we have the board. Now, as I say, that was only a very few years ago that all of that work was done and the decision was made to make the demarcation. Well, now in Bill 31 we're right back to where we started. Now we're going to have a chief executive officer who is once again going to be perceived as being a blend of the quasi-judicial side and the administrative side.

So my question to the Provincial Treasurer is: what happened . . .

MR. DINNING: It didn't work.

MR. COLLINGWOOD: It did work, hon. Treasurer. It worked very well. In fact, the public was grateful that there was a perception . . . When I say the public, I'm talking about people who found themselves appearing before the Securities Commission for whatever reason that the commission felt was necessary. They felt the distinction between the administrative arm and the quasi-judicial arm. So there we were, a few short years ago – five, six, seven years ago – going through this whole process, amending the Securities Act, building the structure in, and now here we are

undoing what was done in the previous amendments to the Alberta Securities Act.

Mr. Speaker, the Act does not change some of the things that are in the Act that are of concern. The Alberta Securities Commission as an enforcement agency: the Bill does give greater enforcement provisions to the Securities Commission. What the Bill does not change is the rules of evidence in a hearing before the Alberta Securities Commission. Now, I'll grant you that that is consistent with an administrative tribunal, but the fact is that the Alberta Securities Commission has the power through its enforcement abilities to destroy careers, has the power to impose costs against an individual who has a hearing in front of it, and in fact, has tremendous powers of enforcement over individuals or corporations that come before it. It has, in my estimation, in some cases been a travesty of justice that the Alberta Securities Commission can pick and choose when the rules of evidence should apply when it's in its favour, and when the rules of evidence don't apply when it's in its favour.

I think one of the things that has to happen that does not happen in this Bill is that the rules have to be much clearer for the benefit of those who are called before the Securities Commission, who must face the administrative tribunal as to what rules will apply in those particular hearings. The Bill does and the Act does set out in the legislation the rules of procedure before the Securities Commission, but one of the specific provisions there is that the rules of evidence do not apply. It has been a problem in the past, and I suspect that it will be a problem in the future.

One of the other concerns that I have is that the Bill says and the Provincial Treasurer says that the government will continue to regulate the fees that the Securities Commission charges. The fees are for the filing of initial public offerings. The fees are for the filing of an offering memorandum. The fees are for searches, and so on. That schedule of fees that exists in the regulations will continue to be set by order in council and will not be set by the Securities Commission itself.

One of the interesting things about the Bill – and I will raise it again in Committee of the Whole, Mr. Speaker – is that the Bill does not refer to fees and costs. There are specific provisions in the Bill that empower the Securities Commission to levy costs against an individual for the cost of the investigation and the cost of the hearing, but the Bill does not say that the Lieutenant Governor in Council will regulate the costs that can be charged against an individual if the commission deems that those costs ought to be passed on to the respondent in the notice of hearing.

Now, the specific exclusion of that provision suggests that the costs of being called to a hearing or the cost of the investigation will be set by the commission through their rule-making ability, and the concern I have with that, Mr. Speaker, is because the Securities Commission is going to become a self-funding, industry-funded provincial corporation. If there is the potential that exists that those costs that can be imposed by the Securities Commission can be influenced by the kind of year the Securities Commission is having – and I don't suggest that it will happen. But I suggest to you that the potential exists, and the potential is the same for costs . . .

THE SPEAKER: Order please. Too many conversations going on at one time. The hon. Member for Sherwood Park has the floor.

MR. COLLINGWOOD: Thank you, Mr. Speaker. The same reasoning should apply for costs that can be incurred by a

respondent. The same reasoning should apply for that as applies to the reasoning as to why the Securities Commission in and of itself will not have the power to set its own fees. As I say, I will raise that in Committee of the Whole on those specific provisions, and I'll call upon the Provincial Treasurer to explain if costs are included or if costs are excluded, and if they are excluded, why they're excluded, because the same reasoning does apply, as I would suggest.

Mr. Speaker, one other observation that I make: when the Securities Commission has its own rule-making ability, potentially it will have tremendous powers to influence and change the way the capital markets operate. One of those areas that they're going to have tremendous powers in their rule-making ability is in the area of exemptions from having to register for the trade in securities or for the filing of a prospectus with the trading in securities. I'm referring specifically to the provisions of sections 65, 66, and 107 of the Securities Act as it currently exists. Individuals who are involved in the capital markets and who are looking for exemption provisions in the Act will rely on provisions such as 107(1)(d) of the Act, 107(1)(p) of the Act, and 107(1)(z) of the Act.

8:20

Now, again in the transition it's interesting to note that in the last few years the transition has been from identifying numbers of individuals in the Securities Act, in the legislation itself. So, for example, in the provision in section 107(1)(d), the sophisticated purchaser exemption, the number \$97,000 was right in the legislation. It was there and it was labeled and it was tagged right in the legislation, and with the last amendment to the Securities Act, that went into the regulations. So we now had legislation that defined the rules, but with the last amendment it went over into the regulations. So now the Act doesn't say the number. It says as per the regulations. The regulations set the number. With this change it's no longer in the regulations. Now it's going over to the rules so that the rules now as created, as amended by the Securities Commission in and of itself – the commission will have a tremendous power to change those numbers.

Mr. Speaker, as I say, I'll be dealing with specific sections in Committee of the Whole.

Thank you.

THE SPEAKER: Before proceeding, might there be unanimous consent in the Assembly to revert to Introduction of Guests?

HON. MEMBERS: Agreed.

THE SPEAKER: Opposed? Carried.

The hon. Member for Lethbridge-West.

head: **Introduction of Guests**

MR. DUNFORD: Thank you, Mr. Speaker. I observe that there are a couple of hardworking women that are observing the debate tonight. I would like to introduce to you and through you to the Members of the Legislative Assembly Irene Salisbury. Now, I'm not sure of Irene's hometown.

AN HON. MEMBER: High Prairie.

MR. DUNFORD: High Prairie. Okay. With her is one of my favourite people, Marjorie Little from Lethbridge. Give them a welcome, please.

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

Bill 31
Securities Amendment Act, 1995
(continued)

THE SPEAKER: The hon. Member for Calgary-Mountain View.

MR. HLADY: Thank you, Mr. Speaker. I'd like to stand this evening and thank the members opposite for the debate in second reading. I look forward to going into committee and will be answering the questions that I have heard in second reading as well as in committee and would like to call the question.

[Motion carried; Bill 31 read a second time]

Bill 32
Municipal Government Amendment Act, 1995

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

MR. MAGNUS: Thank you, Mr. Speaker. I'm pleased today to move second reading of Bill 32, the Municipal Government Amendment Act, 1995.

Just under a year ago the Municipal Government Act, Mr. Speaker, was passed by this Assembly, and as you know, the development of legislation, particularly an Act as comprehensive as the MGA, is a continuing process. The new Municipal Government Act gives municipalities greater flexibility to adjust to changing conditions and greater authority to make more decisions at the local level. This is a major change, and as this Act seeks to be effective and responsible to local governments, it requires follow-up legislative amendments.

Bill 32 responds to the needs of Alberta's municipal governments and fine-tunes an already successful piece of legislation. The cornerstone of this amendment is the input which the government has had from numerous municipalities, municipal associations, development associations, private citizens, other stakeholders, and various government departments. Many of the concerns that have been brought to our attention by these individuals and groups have been incorporated in this Bill, making this Bill a responsive and relevant piece of legislation.

Mr. Speaker, the purpose of the spring 1994 amendments, which came into effect on January 1, '95, was to accomplish the following tasks, and there are a number of them, five: to continue to consolidate municipal-related legislation, to continue to reduce duplication and deregulate wherever possible, to address particular problems in the new MGA, to permit changes to school taxation as a result of changes within school funding, and continue to empower municipalities within a provincial framework.

The spring 1995 amendments involve five major areas of change as well: the repeal of the Municipal and School Administration Act, the repeal of the County Act, the consolidation of the Regional Municipal Services Act into the MGA, amendments to solve operational problems with the new MGA, and consolidation of the Planning Act into the MGA.

To make the new MGA more effective and workable, Mr. Speaker, and in response to the many suggestions for change on a priority basis, several amendments are being proposed in the following areas: administrative amendments, clarification of tax exemptions, clarification of assessment and taxation procedures, amendments related to school taxation, and adjustment to the tax arrears provisions. These amendments represent a responsive

approach to local government in Alberta and will continue the government's efforts to consolidate legislation, reduce duplication, deregulate and empower municipalities, and balance interests.

In that tradition a couple of Acts must first be repealed. The first is the Municipal and School Administration Act. As this Act only applies to the town of Devon, and now that the town has become part of a regional school operation, this Act is no longer needed. The repeal of the County Act. As a result of the new School Act, the County Act will be repealed with the following conditions: first, a former county can retain the name county despite becoming a municipal district, and next, former counties can retain their representation on the agricultural service boards until Alberta Ag, Food and Rural Development reviews the Agricultural Service Board Act. In addition, there is a transition provision in the amendments which allows the minister to adjust the electoral wards of a former county on request up to August 1, 1995. After that date, the former counties will be able to adjust their own ward boundaries in accordance with the MGA.

Another way that the government has responded to the concerns of certain groups is by proposing that a specialized municipality may be formed to include municipal and school functions with the approval of two ministers. This provision will accommodate any of these counties which voluntarily entered into regional school boards and has the option to revert after four years.

Other administrative amendments have also been included in the Bill, Mr. Speaker, which will ensure a smooth transition for former counties. The government has also responded to the request of municipalities by increasing service delivery options for municipalities. It's been done by consolidating the Regional Municipal Services Act into the MGA. In addition, the regionalization of municipal services will not be imposed. Rather, local municipalities will still decide on the best means to deliver local services. Greater autonomy over decisions on the types of services will be given to the municipalities, and they'll now be able to decide what types of services, utility or non-utility, will be included, the makeup and membership of the organization, and the rates to be charged. The Alberta Energy and Utilities Board will continue to hear rate disputes on utility services. Although debt guidelines will be set and deficit budgeting will be controlled by the general provisions in the MGA, the minister will be less involved in the administrative matters of these bodies. All of these changes have been incorporated into Bill 32 in order to make the MGA a more responsive and flexible piece of legislation for Alberta's municipalities. In that tradition, amendments to the MGA have been incorporated into this Bill.

Mr. Speaker, amendments to the new MGA respond to a number of concerns about limiting the initiation of liability claims in business revitalization zones to zone members, exempting community organizations from advertising lease arrangements with the municipality, and ensuring that transitional matters on municipal status change are dealt with automatically. All of the amendments that pertain to these areas are a direct response to the concerns of Alberta municipalities with the current MGA.

This government recognizes also the importance of local government to the citizens of Alberta. This government is also committed to providing enabling legislation which ensures the economy and efficiencies of local government. We will be extremely careful in establishing new municipalities so that we do not create new municipalities that are not economically viable in the long term. There has been some concern about the future viability of smaller municipalities, including summer villages. Therefore we will no longer create new summer villages.

Other areas of concern have also been addressed, and these include concerns about employee dismissal for cause, clarification of the time period for determining sufficiency of a petition, correction to the tax rate calculation, municipal liability related to public works, and municipal ability to collect legal costs. All of these changes are important to ensure that local governments work effectively and efficiently for Alberta's citizens.

Another area which has been addressed in this Bill is tax exemptions. With this Bill senior citizens in certain lodges, nonprofit organizations, municipal airports, cemeteries, and seed cleaning plants will be exempt from taxation for both municipal and school purposes. School dormitories also will be exempt from taxation unless the municipality passes a bylaw to tax them for municipal purposes only. This was the case in the previous Municipal Government Act. In addition, rural water co-ops and private suppliers of domestic water supplies will be exempt from assessment.

8:30

Another important area for exemptions, Mr. Speaker, is class C licences. As requested by a number of municipalities, class C licensed premises in certain facilities held by nonprofit organizations will now be exempt from taxation.

Nonprofit organizations are also affected by this Bill. Their exemption status will be further clarified through a ministerial regulation, and this regulation will apply to nonprofit organizations using property for certain purposes. It includes general provisions relating to all properties held by nonprofit organizations and specific provisions relating to the use of property by the nonprofit organization; that is, held in an official capacity of the municipality and used for community games, sports activities, athletics, recreation - anything that is in the vein of a general public benefit - or used for charitable or benevolent purposes for, again, the general public benefit.

Assessment taxation is another area that the amendments address. The Municipal Government Amendment Act contains particularly important amendments dealing with this. Without getting into a lot of legislative detail, Mr. Speaker, the amendments will include changes required to implement the new education funding process. Some examples are the elimination of municipalities' ability to further split tax rates for school purposes, having uniform taxation rates, which will be phased in over three years, and making the government of Alberta a taxing authority for the purpose of applying a tax rate against an equalized assessment of a municipality.

Another provision of importance is allowing the municipality the ability to exempt the machinery and equipment assessment when imposing a business tax. This will parallel the provisions of the previous legislation.

Municipalities will also be given additional flexibility when dealing with the taxation of mobile homes. The municipality may either tax the mobile-home unit owner or the mobile-home park owner.

With regards to tax arrears, they are also addressed in this Bill, and they're based on submissions from many municipalities. A variety of provisions dealing with tax arrears will be amended. Arrears lists will only be prepared for properties with more than one year of tax arrears, and the public auction will be held one year after March 31. Tax recovery land may be leased for more than one year, and municipalities will be given authority to seize property for tax arrears on linear property. Adjustments will also be made so that municipalities are not required to take over a title after an unsuccessful auction. This should provide some relief for

municipalities dealing with contaminated sites, which are typically unsuccessful at any auction. Municipal Affairs and Alberta Environmental Protection will look further at contaminated sites issues. The option for a property owner to initiate assessment arbitration will be eliminated. Municipalities will be given greater flexibility to distribute unpaid taxes among newly subdivided parcels.

The final area that Bill 32 deals with, Mr. Speaker, is the consolidation of the Planning Act into the Municipal Government Act, and it was done in consideration of the responses to the March and October 1994 Planning Act proposals paper. The majority of responses supported the directions in this paper, and the proposed amendments reflect this support. In some areas, however, balancing of interests was required. The reason the Planning Act will be consolidated into the MGA is because it continues to build on the strong history of local planning in this province. Alberta municipalities have developed sufficient experience to take on greater responsibilities and accountability for planning and development matters.

In accordance with greater local autonomy, provincially directed regional planning will be eliminated, and all municipalities will be given subdivision approving authority. As a result of these increased municipal responsibilities, the purpose statement of the Act will be adjusted to further reflect the balance between public interests and individual rights.

An option also open to municipalities is to choose to work together to co-ordinate their planning. Some voluntary intermunicipal planning agencies have already been established to replace a number of the existing regional planning commissions. With this greater autonomy comes the need for co-ordination of development plans between adjoining municipalities through intermunicipal development plans and municipalities exchanging development plans with adjacent municipalities, co-ordination of transportation systems between municipalities, and a mechanism for dispute resolution. Bill 32 provides for these items, Mr. Speaker.

What this government wants is to have local areas have local control over their affairs with the province laying down some guidelines for consistency. Many of the amendments to the MGA are geared toward that end. One example of that is provincial land use policies which will provide direction to the municipally based planning system. This system will consist of mandatory plans for municipalities with populations over 3,500 people, mandatory land use bylaws for all municipalities, and optional area structure plans to guide subdivision and development.

Some municipalities have asked for a clarification of the relationship between NRCB, ERCB, and Alberta Energy and Utilities Board approvals and municipal approvals. The amendments in Bill 32 do just that. Municipalities will be able to deal with legitimate municipal concerns in the normal approval process while respecting NRCB and ERCB approvals. Dispute resolution may be referred to the municipal government board should municipal decisions not be consistent with NRCB and ERCB approvals. It is expected that only a few municipalities will be affected by these provisions.

Other amendments create an environment of local control. One example is in the area of subdivisions. Councillors or all of council can be appointed as the subdivision approving authority, and additionally, Bill 32 provides for further delegation of decision-making to designated officers or intermunicipal agencies or regional service commissions. Subdivision appeals will largely be heard by local appeal boards. No individual who sat on an

original decision will be able to sit on the appeal board. As well, councillors will only be a minority on the subdivision and development appeal board in order to ensure fairness in the due process at the appeal stage. Subdivision appeals to the municipal government board will only occur in a few selected cases where provincial interests such as highway access are directly affected. Adjacent landowners will also be able to comment, and proposed subdivisions will no longer be able to initiate an appeal. However, adjacent landowners will have status to be heard at an appeal should one occur. This change will respect the interests of landowners and adjacent landowners and streamline and speed up the subdivision approval process.

Maintaining an environment of openness and fairness for all citizens is important to this government, Mr. Speaker, so the planning and development approval process will remain subject to extensive public input at each stage of the approval process. As a result, planning decisions and bylaws will be made exempt from petitioning in order to ensure that decisions are timely and that certainty and predictability are retained in the planning process.

More authority for municipalities is the theme of this Bill, and this is continued by having municipalities receive increased authority when dealing with first-parcel-out subdivisions, fragmented parcels, and a second dwelling on 80 acres or more. This will provide rural municipalities with a greater opportunity to ensure that nonagricultural development is compatible with agricultural industries. Other amendments will occur to streamline the process, increase local flexibility, deregulate, and reduce duplication.

Mr. Speaker, I know everybody would like me to finish this and sit down. I'm about to conclude with a couple of short paragraphs. Somebody said that I should maybe take a breath here eventually, but realizing that this Act is well in excess of a hundred pages – this is fairly complicated; there are a lot of amendments. I promise not to read the Act.

In conclusion, Mr. Speaker, these amendments represent a responsive approach to local government in Alberta and are evidence of this government's commitment to consolidate legislation, reduce duplication, deregulate, empower municipalities, and balance interest. This Bill is a step in the continuing tradition of strong local government in Alberta and the leadership provided in the previous Municipal Government Act. This Bill will help to ensure that this commitment to strong local government, local autonomy, and reduced duplication is a reality in Alberta.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Speaker. I stand to speak in support of Bill 32. It is actually thicker than Bill 31: more pages, more amendments. If they had listened to some of our amendments, it wouldn't have to be quite so long. They have now and are looking at it for second review, and we appreciate that.

Mr. Speaker, I've had the privilege of visiting many municipalities during the past year as the new Municipal Government Act has been implemented. I listened to the concerns, listened to what has been happening around the province from High Level in the north to Medicine Hat in the south – and I appreciated meeting the Member for Medicine Hat's father the other day – to learn and understand, see the issues and the needs, concerns, of our municipal councillors . . .

8:40

AN HON. MEMBER: Did you get to vote?

MR. BRACKO: Oh, yes.

. . . and how it's affecting the different communities. The one comment that we hear is: so many changes so fast. That is a problem for many of the municipalities. They would have liked to have done it slightly slower so they could have planned more carefully and not have been forced into making decisions. For the bigger municipalities this may not be a problem, but for some of the smaller ones it is. They are forced to make arrangements quickly in order to meet deadlines. One was for inspections, which had to be in by the end of last month. It forces them to make decisions that they would have liked to have more time to do. This is the case in many areas, that things were done too fast.

Also with Bill 32 a comment I'm receiving from the many different municipalities is that they do not have time to go into it. They are busy making other changes, trying to make good decisions on what's happening. Bill 32 here is so big and so in-depth that they need and would like to have more time to go through it to review the areas that may need some adjustment or change or some amendments to the Bill so it would be a better Bill.

AN HON. MEMBER: If they listen.

MR. BRACKO: If they listen. I have to comment that in many areas the government has consulted and has listened to the different groups: the AUMA, the AAMD and C, and other groups that have input. On the other hand, there are some which have asked for consultation dealing with the implementation of the school tax. They asked last March to meet with the ministers involved so that they could implement it correctly and get the wisdom of all, and a year later, at the end of March, they were met with. They didn't appreciate that. They want to work with the government and work very effectively and efficiently so everyone benefits.

With the implementation of Bill 31 there have been a lot of innovation and creative things happening in our municipalities, and that's excellent to see. The partnerships are developing. One municipality will hire a city manager and contract the services out to other municipalities so they do not have to duplicate and they can become much more efficient. This is happening on many fronts. The sharing of computer services: instead of municipalities next door to each other each buying their own systems, they are getting together, using the manager from one municipality to work with the other and setting up a computer system that benefits two or three or four different municipalities. I believe in some areas it's up to 12 municipalities that benefit from the same computer system, including summer villages.

So this is a big step forward, the changes to the new Municipal Government Act, an Act which I must say was needed with the changing times, changing technology, changing transportation routes, and so on.

Also, the sharing of urban/rural municipalities: now the grader doesn't lift up the grader blade and go through town without clearing the streets. They're working on agreements so they can use their machinery much more wisely. The same with road grading and bulk purchasing. Managers from many different counties are now getting together and purchasing expensive equipment: graders and Caterpillars and their other needs. They are tendering them out, a large number at once, so they can get

the best possible deal. Of course, this saves the taxpayer big dollars and is a good move forward. Now with computer technology this can be done more effectively and efficiently.

Another area is Redcliff and Medicine Hat – and this has happened in the past – sharing police services and also sharing water and I believe gas services. Other new innovations: the city of Lethbridge is going forward and offering services to surrounding communities and municipalities, not trying to force it on them. They say: "We have these services for you. If we can do them cheaper, come and talk to us." It's not a pressure situation. It's not a situation where the larger urban municipalities are trying to take over. They are wanting to work in partnership with the surrounding municipalities. So Bill 31 is implemented and has addressed duplication and other services and made things more efficient. It of course goes with the rural municipalities in the past who have been the most efficient. They have used their tax dollars wisely and will continue to do so.

However, there is a concern with the former minister's ideology that private enterprise can always provide services more cheaply. It's an ideology. I wonder where he got the research from. I would like him to produce it. From my experience in talking to different groups, whether it's municipalities, private industry, or others who provide services, this may not be the case. In fact, there are private companies that say they cannot compete in putting in water systems or water pipelines with municipalities that are run efficiently, because the municipalities do not have to make a profit and save taxpayer dollars. So it's important, from the research I've done with my small budget, to get all this information, which the government should have had before they made statements that everything done by private enterprise is cheaper. That may not be the case. At times it may be, but you have to look at the total picture. You have to look at the situation, do a cost analysis, minister of environment, and see which is the best way to go. That's what the Liberal position is. I want you to know, Mr. Speaker, that I'm speaking through you.

Another area that I did plead with the government to look at when they were implementing Bill 31, implementing other Bills in the last two or three years, was coterminous boundaries. This was a very important area to look at. At least twice in *Hansard* I've pleaded with the government to look at the bigger picture and not the smaller picture. Coterminous boundaries would have saved a lot of money and cost. We're seeing this at this time, where you'd look at the regional health boundaries being coterminous with mental health, which is happening, and that's good.

It should be with education boundaries. Now we have overlapping boundaries, which is going to create more costs for the taxpayer because it isn't as efficient and there's duplication of services. Social services boundaries should be the same, coterminous, and perhaps they will be the same as the regional health authority boundaries – and I hope that will be case – so they can fit in. But again that would throw the education boundaries out of whack. That should have been looked at. We have the seniors and social housing boundaries, boundaries that should have been in one area, overlapping in different areas. We find that even some of the poor foundations are paying for the richer foundations because of the previous minister not looking at the total picture in the past. Also, economic region boundaries should have been looked into as well as regional planning. It would have made a lot of sense if coterminous boundaries would have been incorporated in regional planning. The same with municipal and provincial boundaries in there. They could have had a region that was run very efficiently, avoiding duplication.

8:50

The debate has asked what are provincial responsibilities and what are municipal responsibilities. All groups – the AUMA, AMD and C, and other groups – want to meet with the government, have been asking to meet with the government to sort out what is each's responsibility. You look at health requisitions, and it still hasn't been cleared with municipal councillors I've been talking to lately. They said that even the minister's latest letter confused them more than it cleared up the situation. Can they requisition for buildings, for operating costs? They need this cleared up.

Social services. Who is responsible for social services, the municipalities or the province? We know that the government is wanting to download them to the municipalities, and that way is probably the best route to go, but they need to sit down and talk with the municipalities. So far this hasn't happened with many of the municipalities, and they want to know what's happening in this area. They have been asking to meet with the minister or his team that is going out to solicit input. We've seen that at least in social services and child welfare they have learned from their mistakes in rushing the health reforms. They're taking three years to implement it, and that's a move forward. I do encourage them to meet with the different municipalities, meet with all the stakeholders and decide whose responsibility is what. Is it the municipality's responsibility to implement it and the province's to fund it and so on?

Another one is seniors' housing. Who's going to be responsible for that in the future? Is it going to be the municipalities or the province or a combination of both, which it may be? So that needs to be addressed and isn't addressed in the amendments to the Municipal Government Act, Bill 32.

Again, they've been requested by the different organizations to sit down and discuss the different programs. We see they've moved away from implementing programs in municipalities, paying for it for a year or two or paying for part of it, and then getting out of it as was the case with hazardous waste. They paid for it the first year and then reduced payment and left the municipalities paying the total cost. They need to sit down again with the municipalities to discuss whose responsibility is what.

The municipalities want the integrity of the property tax. They believe the tax should be exclusive to the local governments and be used for the provision of services to property. They do not want to be responsible for the school tax, or a very small portion of it. That should, they believe, come from the general revenues of the province, not from property tax. Even the old formula of 85-15 would be much improvement, so the municipal taxpayers' tax goes to property, to such things as roads, fire protection, sewage, and areas that are advocated to the municipalities.

The planning commissions. At first many of the communities thought that was a great idea, to get rid of the planning commissions. Some of the smaller communities looked forward to that. They didn't consider the complete picture, and now they're realizing that they still have to provide the services and that perhaps the regional planning commissions did a job and were probably more cost efficient. However, they have to set up new organizations, which is good in some ways. I think it's important to note that as they set up their new organizations, they do not have to limit it to just planning. Some of the commissions or new organizations are looking at a variety of areas, whether it's economic development or tourism, areas that they can incorporate into their new organization. So this has allowed them to step forward and meet the needs of their area. The Mackenzie

planning commission is one that is taking advantage of it and is deciding what their needs are and being flexible so it can be more than just a planning commission. It can also be economic development or tourism. It can also deal with other issues that need to be dealt with. It's interesting, the former minister's evaluation of a planning commission. He seemed to judge it on the building they were located in – one planning commission was located in a poorer office and got more funding because the minister decided that they must be more efficient – instead of evaluating the job that all the commissions were doing and seeing who really was doing the best job, a type of evaluation that would be more than just the appearance of the building.

Moving on to the legal responsibilities, the member introducing Bill 32 stated that it will get rid of regulations, and in many cases that is the case. It makes things easier. Things can flow easier. However, it also has created more regulations and very costly ones. We used to have the planning commissions. Now we're looking at new, separate organizations, intermunicipal organizations. They look at how they can set it up. There are different models they can use, but these again require tremendous legal costs to look at the complete picture and are very expensive, very costly.

You have a regional service commission. The question is: who is liable? When you have one of these, it is not like the old system, covered by the municipalities. The legality of it can be very costly. Also they could go for the private corporation, for profit, and they need to know, if they work in partnership with one, what the shares are that they could have in a private corporation. They need the minister's consent to incorporate. There is tremendous regulation needed, and this takes a lot of time, a lot of money. So more regulations are being introduced, not fewer. Do they go to societies if two or three municipalities want to get together? What are the implications? What are the legal aspects of it?

Another one is not-for-profit. In part 9 of the Companies Act they can't give out dividends, and to municipalities this adds confusion to the picture as they look at how they restructure in the area of intermunicipal organizations. Again, one member, one vote, or should it be divided on some other basis? How do you be a shareholder without controlling? You have to look at maximum flexibility in these so everyone benefits, and again the legal work in here is very costly. It would be appropriate if the government, Mr. Speaker, would step in and look at part 9 of the Companies Act, other parts on intermunicipal organizations so that each municipality is not setting up its own.

I wanted to go on to the school tax, but I don't have time.

THE SPEAKER: The hon. Member for Grande Prairie-Wapiti.

MR. JACQUES: Thank you, Mr. Speaker. I have some very brief comments with regard to Bill 32. It is a difficult Bill to speak to with regard to the principle with the number of amendments that are involved through this. However, there is one area that I would like just to put on the record for the minister or the proponent of the Bill to bring forward either later in this debate or into committee, and that is with regard to the mobile-home situation and the amendments that are reflected in this particular legislation.

There are two principles involved here that I think have to be addressed. One is with regard to the legal right to assess or have the ability to assess other than the registered owner, and this again is part of the provisions of this particular Bill which would allow the municipality by bylaw to enact that form of legislation. So it does involve a greater legal right that I think should be commented upon.

9:00

The second issue, Mr. Speaker, is with regard to the ability of the registered owner of a mobile unit in the case where the municipality did exercise the bylaw whereby they would effectively be assessing the owner of the property. Under those circumstances, what rights or privileges might be subrogated by that, with regard to the direction of school taxes, particularly as it impacts on the Roman Catholic separate system? As I understand it, there would not be a provision, or if there is a provision, it's obscure within the Act at the present time.

With those comments, Mr. Speaker, I would ask that debate be adjourned at this time. Thank you.

THE SPEAKER: The hon. Member for Grand Prairie-Wapiti has moved that debate be now adjourned on Bill 32. All those in favour of this motion, please say aye.

SOME HON. MEMBERS: Aye.

THE SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

THE SPEAKER: Carried.

Bill 34 Electric Utilities Act

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

MR. MAGNUS: Thank you again, Mr. Speaker. The Treasurer doesn't like my dulcet tones that much, so I'm going to try and improve that and just speed it up a bit tonight.

Mr. Speaker, I am pleased tonight to move second reading of Bill 34, the Electric Utilities Act.

This Bill establishes a new structure for the Alberta electric industry. The new structure has been designed to preserve and enhance the Alberta advantage by putting downward pressure on electricity prices. The design of the new structure represents the consensus of consumer groups, municipal leaders, utilities, independent power producers, and other affected groups from across Alberta. This consensus was arrived at following extensive public consultation.

The new structure is scheduled to be implemented on January 1, 1996, Mr. Speaker. The design of the new structure includes reforms in three basic areas. First, the new structure replaces the Electric Energy Marketing Act, which has required generation and transmission costs to be averaged provincewide since its introduction in 1982.

Under the new structure all electric distribution systems and their customers will continue to share equitably in the benefits and costs associated with existing generating units. The costs associated with new generation will not be averaged. Electric distribution systems will be directly accountable for any new financial arrangements they enter into to meet the generation requirements of customers in their service areas. As a result, the averaging of generation costs will phase out as existing generating units retire and electric distribution systems enter into new financial arrangements. In regards to transmission costs, they'll be recovered through a single provincewide tariff paid by all generators and electric distribution systems for access to the provincial grid.

A second area of fundamental reform in the new structure is the development of a competitive market for generation. A competi-

tive power pool will be created to serve as a spot market for all electric energy bought and sold in Alberta. In addition, the new structure will ensure that new generation is the result of fair and open competition among all market participants.

The third area of reform involves the regulatory system. Stronger incentives will be provided to promote better performance by regulated utilities, and this will result in a cost savings for all customers. The cost of regulation will also be reduced by greater reliance on the negotiated settlement of regulatory issues rather than through costly and lengthy hearings.

Mr. Speaker, the reforms contained in this Bill set a new course for the Alberta electric industry, a course that leads North America in harnessing the forces of the competitive market and streamlining the regulatory system, a course that will preserve and enhance the Alberta advantage of competitive electricity prices.

Thank you, Mr. Speaker.

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

MR. DALLA-LONGA: Thank you, Mr. Speaker. I rise to give my comments on this Bill. As indicated by a couple of the questions given today, we have some concerns, concerns that were brought to us by some constituents, concerns that are being reviewed by some constituents as we speak.

DR. L. TAYLOR: None of your constituents would have brought concerns on this one, Danny.

MR. DALLA-LONGA: I think I hear the Member for Cypress-Medicine Hat speaking of concerned constituents. I expect that the next time he goes back home to his constituents and talks to some of the people there, they will want to corner him and have a few words with him.

MR. DAY: How many called you today, Danny?

MR. DALLA-LONGA: How many called today? Mr. Speaker, the Minister of Labour wanted to know how many calls I had today. Today in the last four hours I had six calls. That was one ring-a-dingy, two ring-a-dingy, three ring-a-dingy.

Now, to underscore the importance of this issue, the question is not how many calls I had; it's how many calls the Member for Cypress-Medicine Hat is going to get, the Member for Medicine Hat is going to get, and how many that other fellow there, the Member for Edmonton-Beverly-Belmont, is going to get. Probably even some of his co-workers are going to be calling him. Then there'll be an interspersed number of other members that will be getting calls, members from the Small Power Producers Association.

So I guess, you know, if I look at this Bill – are there any other questions that the minister would like to entertain before I go on?

AN HON. MEMBER: You mean to tell me that you didn't look at it yet?

MR. DALLA-LONGA: Yes, I did look at the Bill, despite the government's best efforts to slam this Bill through in the eleventh hour and then try to block us from asking questions: the usual tactics, but we managed to survive. [interjection] That's right.

Anyway, Mr. Speaker, there appear to be four major components, before we get into some of the serious drawbacks, that were in this report that came through from the steering committee.

One is that EEMA would be replaced. What that meant was that all consumers, no matter where they were located in the province, would continue to share in equalized pooling costs of the existing facilities. However, the generating costs in plant facilities constructed in the future would be done sort of on an as-need, should I call it, where the costs would be borne out by the utility and its customers. [interjection] Jeez, I note that the Member for Calgary-Currie is rather punky tonight.

Anyway, the second steering committee report element that was to be incorporated was that there should be fair and open competition. I want you to pay attention to this, Mr. Speaker, because I'm going to talk about this later, this fair and open competition for generation. Okay? And the Member for Cypress-Medicine Hat would do well to pay attention to this as well. That was: "All generators of electricity would have access to . . . a pool." [interjections] They're a lively lot tonight. They're a lively lot. They think that session is almost over. They're a lively lot. [interjection] The Member for Calgary-Shaw is anxious to get his crops planted. We're not sure if it's a legal crop yet, though.

9:10

THE SPEAKER: Order, hon. member. Through the Chair.

MR. DALLA-LONGA: Anyway, Mr. Speaker, all generators of electricity would have access to the pool through a transmission system designed to ensure – and these are the operative words – that "no generator receives preferential treatment." When new generation is required on the system, it would be dispatched through, my favourite word that they use over there, "competition among generating utilities." Okay?

The third thing, Mr. Speaker, that the steering committee wanted to have incorporated was performance incentives and efficiency . . .

DR. L. TAYLOR: I think your hair has gone to your brain, Danny.

MR. DALLA-LONGA: The Member for Cypress-Medicine Hat just won't relent. I don't think his constituents are going to be impressed.

. . . incentive regulations that will allow the Alberta Energy and Utilities Board to assess the performance of utilities in the rate base hearings. The intent here, Mr. Speaker, is to create conditions under which utilities would be required to keep their costs as low as possible. Now, the AEUB, with their new arm's-length, chosen chairman, will offer incentives to the industry to keep their costs down, and of course this is what consumers wanted. These are all admirable, noble causes to have, in the best interests of Albertans. Under this third criterion, if generators can offer consumers low prices, consumers will be able to keep some of these savings.

The last thing, Mr. Speaker, that the steering committee wanted was that they would give consumer choice. A review was to be initiated in 1996 to assess options that would give consumers choice in making arrangements for their share of electricity, and this review would be completed within a one-year period.

Now, Mr. Speaker, at this point I just can't resist. I've got to get into the things that are bothering me the most. I don't want to debate any more of the other issues. I'll let some of my other colleagues go into some of those other issues.

The first thing, we had . . .

MR. PASZKOWSKI: Are your shoes too tight?

MR. DALLA-LONGA: Mr. Speaker, the minister of agriculture asked me if my shoes are too tight. He's probably referring to the fact that I had a recent accident and my foot might be swelled. But you know what? At least my head's not swelled. [interjections]

DR. L. TAYLOR: Point of order, Mr. Speaker.

THE SPEAKER: Order. [interjections] Order please.

The hon. Member for Cypress-Medicine Hat.

Point of Order Allegations against Members

DR. L. TAYLOR: Standing Order 23(h), (i), and (j), suggesting that I'm not telling the truth about the swelled head.

MR. DALLA-LONGA: We know that the Member for Cypress-Medicine Hat doesn't have that problem. That's why he has to undo his tie all the time.

Debate Continued

MR. DALLA-LONGA: Anyway, Mr. Speaker, the first item I'd like to cover, if I might be so privileged to be allowed to do so, is the Small Power Producers Association of Alberta. They were here this afternoon. They came. There were a couple of calls from them today. The Small Power Producers Association has some concerns, and when they expressed their concerns to me, I've got to tell you, I was skeptical about a couple of the things they were saying.

One of the things they said, Mr. Speaker, was that they wanted to get out of the small power producers Act, and that would have meant that they would no longer get a cent to a cent and a half rebate from the grid.

MR. LUND: Try the 5-cent subsidy.

MR. DALLA-LONGA: They only pay 5 cents. Anyway, Mr. Speaker, the number isn't relevant because it varies and jumps around. I do have the graph here, if the minister of the environment would like to look at it. Then he'd be able to see the forest for the trees.

The fact is that they want to get out of this subsidy, and I said to them, "Come on, why would you want to get out of getting a subsidy?" He said: "Well, we want to develop our industry in Alberta, and we want to do some innovative things. We want to be able to expand, but every time we go to these meetings and hearings and every time we meet with the Minister of Energy, being the main culprit, we're told that we're a subsidized business," is the bottom line. I don't know if they used these exact words and I wouldn't want to quote them unfairly, but many of them do not like to be labeled subsidized businesses. And I said, "Well, so what?" I was skeptical. Then they went into their reasons, Mr. Speaker, and I don't want to go into all those reasons because they are complicated. I must admit, you know, it took awhile for me to understand why they would want to do that. Suffice it to say that at the end of their discussion – and the Minister of Energy is asking me a question, Mr. Speaker, and I just can't hear it. Maybe she'd like to wait until it's her turn. I don't know.

Suffice it to say, Mr. Speaker, that what I went away with was that some of them, not necessarily all of them, want to get out of that small power producers Act – I don't know if there's an

acronym for it, SPPA – and would like to go into the main pool. In fact, as I recall, they were listed – I think the page number used to be in one of the drafts – as a power producer. There are so many buzzwords in here. I'm not yet totally familiar with them all: Power Pool Council, reservation unit price, and all that sort of stuff, but I've got the concept, believe me.

Anyway, Mr. Speaker, they said, "We'd like to supply into the main power grid for the province, and the . . ."

MRS. BLACK: In exchange for . . .

MR. DALLA-LONGA: The Minister of Energy will have to be patient. I know she's really fast. She's probably faster than I am, but she'll have to be patient. I'm coming to it. [interjections] No, I'm not . . . That wouldn't be nice to say that.

Anyway, Mr. Speaker, what they wanted to do was to be able to supply power into the grid, and there's a stacking system, I think is the terminology, that's developing where the Power Pool Council will pick the lowest-cost producer on an escalating basis. The Energy minister can wink if I'm wrong here. Every facility will submit its price, if you will, and they will pick, start with the lowest and move their way up to the highest. Well, the utility companies, if I can use that word, the TransAlta and the Alberta Powers, Edmonton Power – I'm trying to remember which draft I was reading – get to calculate their price by reference to a variable cost. Now, there's a buzzword in there for it, but it's the cost that changes with the amount produced.

AN HON. MEMBER: Spot pricing.

MR. DALLA-LONGA: No, it's not spot pricing. I think it's the unit reservation price. I may have it backwards, but it's the variable price. The name is not important. What is important here, Mr. Speaker, is the concept. However, when they went to the small power producers, they said: "Yeah, you can sell, but in order to get into the stacking system, you've got to do a little different calculation. You've got to add in your variable cost and your fixed cost." I said: "Well, no, that can't be. I mean, how could you possibly be asked to do that and compete in the same system? Show me where it says that." As far as I can tell, Mr. Speaker, that's what it says.

AN HON. MEMBER: No.

MR. DALLA-LONGA: Yeah. They were asking an emerging business to compete on an uneven basis. Now, I would like the Energy minister . . . If I'm wrong, I will get up and say I'm wrong. I will admit it. I've looked through this thing, and I had them come back to me a second time. They're asking you to put in your variable and fixed costs in order for you to get your power out into the grid. Well, when are you going to get your power out? They said: "Well, we don't think we'll ever get it out. That's because we believe they want us to stay under the small power producers Act so that they can give us the one and a half cent subsidy."

I'm a firm believer, Mr. Speaker, that there are always two sides to every story, and I'm waiting for the other side to this story. I think that is unconscionable that they would make them do that, but I'm willing to withhold my comments for this go-round to see what the reason is. I believe I'm a reasonable person. You see me in the House here. I don't take cheap shots, but I'm sitting here right now, and I'm saying that I don't believe that could be going on.

9:20

Now, the second thing on the first issue was that they have this problem. Right? Maybe we should make it a second A and second E. They have the problem. I'll just stick to the majors. They have this problem, and they believe they're being misdone by, so they want to talk. They want to talk to the standing policy committee on natural resources and sustainable development, another long name. They want to have a meeting with them. They're told, Mr. Speaker – and I want you to smile if you think this is unfair – that they can have a meeting on May 15. Right? And they said, "Great." But they're also told, by someone we won't mention, that this is all going to be over by May 11. Like, these people are saying: "Well, doesn't that mean it's going to be passed by then? Why would we want to make a submission to you to change this on May 15 when it will be passed by the 11th?" So they were dumbfounded.

Yet you go back to the words of the Energy minister; where are those? The Energy minister made a commitment to deal with electrical policy "in a fair-minded and consensus-building way," end quote, end commitment. I mean, maybe the government has a very valid reason for what it's doing, and I'm sure we're going to hear what those reasons are, and then we'll debate those reasons. But this is ridiculous. I mean, first of all, they're dreaming if they think they're going to get out by the 11th, at the rate they're going. I mean, we do have a little bit of control over that. The second thing is that to tell them that you can come and give us your comments after the horse has gone out of the gate is a slap in the face. It's an absolute slap in the face. You know, Mr. Speaker, I know the Minister of Energy, and I know that something slipped through the crack because she wouldn't do something like that. Okay? In all seriousness, there's another side to this story that I'm missing.

Now we'll go on to the second issue, Mr. Speaker. The second issue is even better than the first. What do we do? I think the Member for Calgary-North Hill spent a very long time talking about the debate that went on and all the consultation. Looking to the draft, I might add that I think everyone in the province has got a copy of the draft except the opposition.

Now, I'm going to draw your attention to a clause, Mr. Speaker. I'll bet you that the Member for Calgary-North Hill can guess which clause number we're talking about. If he can't, I know the Energy minister can. It is clause 45. My time is drawing near so I'm just going to point out . . .

DR. L. TAYLOR: Your time is drawing near. You look too young, Dan. You're too young.

MR. DALLA-LONGA: Oh yes. You're just getting a sniff of what's to come. Okay. It says under clause 45(1) . . . [interjections] You're going to have to add this time on to my time because they're using up my time. [interjections]

THE SPEAKER: Order.

MR. DALLA-LONGA: This is very crucial, Mr. Speaker. Clause 45(1) in the original draft, the one that took months, with consultation and stuff and meeting with the mayors. I might even add that I flew up with a mayor just by coincidence last week, the mayor of Medicine Hat, my old teacher, my old mentor. He said: "Yep. Things are going really good. We're happy with what's going on."

Anyway, fair and open competition. You see, this government's big into, you know, buzzwordy phrases: fair and open competition. Clause 45: the Lieutenant Governor in Council, blah, blah, makes . . . [Mr. Dalla-Longa's speaking time expired]

THE SPEAKER: Order please. Standing Orders require the Chair to intervene and recognize the next speaker.

The hon. Member for Medicine Hat.

MR. RENNEN: Thank you, Mr. Speaker. It's a pleasure for me to get up and speak on this Bill this evening. I'm surprised I'm able to speak after having to bite my tongue all the way through question period today, hearing all the comments about Medicine Hat and how Medicine Hat had been so hard done by in this agreement. It's interesting that the Member for Calgary-West just mentioned that he flew up with the mayor of Medicine Hat last week and the mayor indicated to him that Medicine Hat had been involved in the process all the way along and they're very pleased with the consultation process. So I find it very hard to believe that the members opposite are trying to make this out to be some kind of controversy on the part of the minister. In fact, all players have been consulted in the process all the way through.

Mr. Speaker, I want to deal a little bit with the generalities of this Bill, and then I want to get into some of the specifics, because as the member opposite indicated, I am a member from Medicine Hat, and Medicine Hat is one of two municipalities that are clearly identified in this Bill. So I think it's very important that I present the views on behalf of my constituents and on behalf of the city council in Medicine Hat, which is very much involved in this process and very much a part of this Bill. With that, I would like to deal with a few of the general points here, and then we'll get into some of the specifics as they relate to the city of Medicine Hat.

One of the areas that has been clearly lacking in the discussion that we've had, both in question period and the discussion we've heard this afternoon, is that this whole process is designed to create a free market and competition within the electrical industry. Right now we operate under a basis of a semi-monopoly. In fact we have a monopolistic situation governed by a utilities board. The utility monopoly goes to the board, and that board decides on the rates based upon rates of return and everything else. It's all worked in with EEMA involved in the whole process. This Bill creates an environment where new electrical energy, electrical energy that will be required in the future to meet the demands of a growing and expanding Alberta, will be on the basis of a competitive market.

We now have the infrastructure in place. We now have the ability to transfer electricity. I found the discussions that I was involved in most intriguing because we don't think of electricity as being a commodity, but in fact it is a commodity. The power lines that go all across this province are able to take power from one point in the province to another, and apart from the cost of the infrastructure, the cost of actually putting those transmission lines in place, there really is negligible cost to transfer power across this province. That power can then be transferred like any other commodity, can be traded, can be generated, and done so at a competitive price on a competitive-based free market, free enterprise based system. That is the purpose of this legislation, Mr. Speaker, not to drive up costs but in fact to drive down the costs through a competitive environment.

The other thing this Bill will do is that in the area of new generation it will ensure that environment is competitive by

ensuring that all players within that market are playing on an equal basis, that no one involved in that competitive market has an advantage over anyone else.

Quite frankly, that's where the exclusions that are referred to in the Act with respect to Edmonton Power and Medicine Hat utilities come from. Medicine Hat has historically produced its own electricity. In fact, Mr. Speaker, as you are probably well aware, Medicine Hat has historically looked after all of its utility needs. We have the advantage of being located on top of one of the world's largest natural gas reserves. That is a geographic advantage for us. We have some other disadvantages, and one of them is that we're relatively remote with respect to the rest of the province, but we have traditionally and historically taken advantage of a very important opportunity that was given to us thousands and thousands and thousands of years ago. The city of Medicine Hat developed because of the natural gas, and that's why it's referred to as the Gas City.

9:30

In addition to the gas utilities we also use our plentiful sources of gas to drive steam turbines. That's where the electricity comes from. The city of Medicine Hat has always looked after the domestic needs of the city. In addition to the city itself, the city utilities has also provided electrical services for the town of Redcliff and for a very restricted area surrounding the city of Medicine Hat. That is historical. That is recognized by this Bill. This Bill does not interfere with the city of Medicine Hat's ability to generate gas-generated electricity. This Bill will not interfere at all with the ability of Medicine Hat to continue to supply its own citizens with gas.

If the city of Medicine Hat wanted to get involved in the power pool and everything else, exporting power into the pool for the rest of the province of Alberta, it would by this Bill be excluded from doing so, and there's a very plain and simple reason for that. Because it is municipally owned, because it is not subject to a lot of the other regulatory areas that other utilities have been exposed to, it would not be fair and reasonable to expect the city of Medicine Hat to be competing with the free-market, free enterprise producers that will be into the program in years to come with new generation, because there are advantages for the city of Medicine Hat. The advantages are, quite frankly – the most obvious one is that because it's a Crown corporation, because it's municipally owned, it's not subject to income tax. It also has access to borrow money based on its rate base, and it can back up all of the cost side of the equation with respect to generation of electricity by the general tax structure within the city.

The city, I'm very proud to say, has operated its utilities for many, many years on a stand-alone basis, and the utility department within the city of Medicine Hat is operated just as if it were a freestanding business. The fact still remains that although the management style might be that of a freestanding business, by being Crown owned it does have advantages over other utilities.

[The Deputy Speaker in the Chair]

The city has recognized this in the negotiations that took place, and the city has been involved in the negotiations that took place. All of the stakeholders involved in this process, Mr. Speaker, were involved with some form of compromise. Quite frankly, one of the concerns that was raised by the city is that as the city grows, as the domestic demand for power grows within the city,

the city is going to have to expand the generation capacity. To do so, it cannot necessarily be done in small increments. If you're going to expand generation capacity, you have to put in, in the case of Medicine Hat, a new turbine. That turbine for a period of time might in fact produce a surplus of power, and it would be in many ways advantageous for the city to be able to disperse that surplus power into the grid. The compromise that was made in this particular case by the city was that instead of investing in that turbine in advance and then letting the city grow into that turbine, the city will instead use the full capacity of their generating ability. While the community grows to the point where it requires another turbine, the city will be buying power off the grid, and they will do so until the domestic consumption grows to the point where it's economically feasible to put another turbine in. That is the compromise that the city of Medicine Hat has in this whole deal.

I think it's very important, the fact that the city has historically been involved in the power generation business. The city has historic market areas: the city of Medicine Hat, the town of Redcliff, the town of Dunmore, and a very limited rural area. The city has served that for a long, long time. In fact, those particular historic realities are reflected in this Bill, and they're reflected very clearly.

AN HON. MEMBER: Which draft?

MR. RENNER: The member says: which draft? I have a copy of the Bill here, and it is very clearly identified in the Bill. I will read it to the member in case he doesn't quite understand. This is in section 59(1).

Any municipality, including the City of Medicine Hat, that owns a transmission facility or an electric distribution system may, by bylaw, provide that the facility . . .

Speaker's Ruling Decorum

THE DEPUTY SPEAKER: Hon. member, I just want to indicate to a number of members that either they have had their chance, by the list that they were on, or they will have their chance to speak. The Speaker is having some difficulty hearing the hon. Member for Medicine Hat and would invite all hon. members to cease speaking out loud, except the one who has been recognized to do so.

The hon. Member for Medicine Hat.

Debate Continued

MR. RENNER: Thank you, Mr. Speaker. Actually, I'm glad you interrupted, because I had my notes mixed up here. I should have actually been pointing out to the members section 45(1), which is the part that talks about grandfathering, where it says:

No municipality or subsidiary of a municipality shall hold, directly or indirectly, an interest in a generating unit except in accordance with this section.

Then it goes on to say:

If the City of Edmonton or the City of Medicine Hat or a subsidiary of either municipality has an interest in a generating unit on May 1, 1995, that municipality or subsidiary may continue to hold that interest after May 1, 1995 [of] the generating capacity of the unit.

So it very clearly outlines that the city . . .

THE DEPUTY SPEAKER: The hon. Member for Calgary-West is rising on a point of order. Would you care to cite?

Point of Order

Questioning a Member

MR. DALLA-LONGA: Mr. Speaker, in my sincere attempt to try to get . . .

AN HON. MEMBER: Citation.

MR. DALLA-LONGA: Just a minute.

THE DEPUTY SPEAKER: Hon. member, we've asked him for that, and I'm awaiting that.

MR. DALLA-LONGA: I would like to ask if the member would entertain a question.

THE DEPUTY SPEAKER: The hon. Member for Calgary-West under *Beauchesne* 482 has asked if the hon. Member for Medicine Hat would entertain a question. The Chair would remind hon. members that they either say yes or no. No explanation need be given if it's a no.

Hon. member.

MR. RENNER: Thank you for that advice, Mr. Speaker. Yes.

Debate Continued

MR. DALLA-LONGA: Does the member know, when he's reading these definitions here – if the city of Medicine Hat, for example, wanted to increase its power capacity but it did so by building a plant, because it was economically feasible, outside of its own boundaries, would it not be falling offside of these provisions and therefore not be allowed to even sell to its own city?

MR. RENNER: Well, Mr. Speaker, if the hon. member had been listening to what I had to say, I think I made it very clear when I was talking about the fact that the city of Medicine Hat under this agreement will be able to supply the domestic needs of the community. The compromise that was made was that the city will grow into those domestic needs by buying from the grid until such time that it's economically feasible for this city to construct additional generating capacity. So I think it very clearly answers the question of the member. The city is perfectly entitled to construct additional generating capacity, but only after the point comes where they will be able to consume that generating capacity within the historical bounds of the area that the city has historically served.

I don't need any more questions from you, thank you very much.

Speaker's Ruling Second Reading Debate

THE DEPUTY SPEAKER: Hon. member, before continuing on, when you get into specific kinds of questions like this, the format of the committee is much more applicable, where you can fire back and forth. The second reading stage in the Assembly is really not suited to that kind of back-and-forth question, answer, question, answer.

The hon. Member for Medicine Hat.

9:40

Debate Continued

MR. RENNER: Thank you, Mr. Speaker. I really don't have a whole lot more to say because I think it's important that we get

into some of the specific discussion when we get to committee stage on this Bill.

There have been allegations made by the opposition that the municipalities that are named in this Bill were not consulted and were not involved in the process. Really the point I was trying to make is that the city of Medicine Hat was involved since day one and continued to be involved all the way through the process.

Really what I want to say, Mr. Speaker, is that this Bill is the future. This Bill will truly bring the Alberta advantage to all of Alberta, and it will do so by creating an environment where the free market will decide the price. It will be done so on a competitive basis, and competition by its very nature tends to bring down the price. So where we're hearing about the doom and gloom of this Bill, where consumers are going to be paying more in the future, the fact of the matter is that competition and a free market and an ability for producers of any size to access into the pool will in fact bring down the price. I think that is something that all members of this House need to keep in mind.

Mr. Speaker, with that, as I said, I would love to get involved in some debate at committee stage and look forward to the committee discussion, but at this point in time I would like to adjourn debate.

THE DEPUTY SPEAKER: The hon. Member for Medicine Hat has moved that we now adjourn debate on Bill 34. All those in support, please say aye.

SOME HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

THE DEPUTY SPEAKER: Defeated.

[Several members rose calling for a division. The division bell was rung at 9:44 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Ady	Forsyth	McFarland
Black	Friedel	Oberg
Brassard	Fritz	Paszkowski
Burgener	Haley	Pham
Calahasen	Havelock	Renner
Cardinal	Hierath	Rostad
Clegg	Hlady	Severtson
Coutts	Jacques	Smith
Day	Jonson	Stelmach
Dinning	Laing	Taylor, L.
Doerksen	Langevin	Thurber
Dunford	Magnus	Trynchy
Evans	McClellan	Yankowsky
Fischer		

Against the motion:

Abdurahman	Kirkland	Soetaert
Bracko	Leibovici	Taylor, N.
Bruseker	Nicol	Vasseur
Carlson	Percy	Wickman
Dalla-Longa	Sekulic	

Totals For – 40 Against – 14

[Motion carried]

Bill 35

Electric Energy Marketing Repeal Act

THE DEPUTY SPEAKER: The hon. Member for Calgary-North Hill.

MR. MAGNUS: Thank you, Mr. Speaker. I know it's confusing, but I am supposed to be standing now. [interjection] There are a lot of us leaving.

I'm pleased today to be able to move second reading of Bill 35, the Electric Energy Marketing Repeal Act. As I'm losing my voice, and I'm sure members are getting tired of hearing my voice after three . . . [some applause] I kind of expected that, Mr. Speaker. This is the third Act I've tried to get through second reading tonight, but I am losing my voice. Members are tired of it, and I'd just like to say about this particular Act that it's self-explanatory. It is a companion piece to Bill 34; it goes hand in hand. I don't think a heck of a lot else has to be said, and with that it's moved for second reading.

THE DEPUTY SPEAKER: The hon. Member for Calgary-West. [interjections]

Order. If this in any way is offending hon. members, they may go to the lounge.

Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Speaker. The Electric Energy Marketing Repeal Act is something that's been long awaited, and I know the minister has spent a lot of time trying to find a solution to a very bad problem. That problem was very divisive to the province, and if I might just go back as to what . . . Sorry.

THE DEPUTY SPEAKER: Thank you, hon. Member for Calgary-West.

Would the Assembly give unanimous consent to reversion to the Introduction of Guests?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? Carried.

The hon. Minister of Public Works, Supply and Services.

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

MR. FISCHER: Thank you, Mr. Speaker. It's my great pleasure tonight to introduce three ladies in the members' gallery. I would like them to stand as I introduce each one of them. The first one is Her Honour Madam Justice Carole Conrad from the Alberta Court of Appeal. Her sister, Mrs. Patrick, is married to Alberta sports hall of famer, Bill Patrick. Please stand, ladies. Their sister, my wife, is married to the minister of public works. I would like to ask her to stand as well. I would like them to receive the warm welcome of the House.

I do say that these ladies are in here tonight to see how we make the laws that they have to abide by. I want you all to know that I have some expert advice that is in the gallery here tonight,

so when we're doing our freedom of information Act, I would be sure that you would never doubt me.

head: Government Bills and Orders
head: Second Reading

10:00 Bill 35
Electric Energy Marketing Repeal Act
(continued)

THE DEPUTY SPEAKER: I would like to thank Calgary-West for his indulgence in this matter. The Chair was remiss in not calling them before the next Bill.

Calgary-West.

MR. DALLA-LONGA: Well, I was all set to go. Now that I know there's a judge in the crowd, I'm going to have to calm down. I don't want to get in trouble here. As it turns out, Mr. Speaker, I know her husband from some previous business relationships.

MRS. ABDURAHMAN: I hope you didn't appear before her.

MR. DALLA-LONGA: No, I've never appeared before her either, but if I do, I just would like to ask for special consideration. [interjections] I don't know what it is, Mr. Speaker, but they just seem to get on my case so quickly here. I haven't even said anything.

The EEMA Act as it existed previously was a bad situation from the point of view that it pitted Albertans against Albertans. There were economic factors involved in justifying each other's relative positions. They dug out other arguments, other factors, and it almost became like a matrimonial dispute. Anyway, Mr. Speaker, I had I won't say the opportunity, but I had occasion to visit various parts of the province and listen to those arguments. Quite frankly, I didn't know how they were going to solve this, because there was going to be a loser or a winner; somebody was going to be for or against almost anything. To the minister's credit, I think she's come out with a solution that, my understanding is, most people have accepted. Some people grumbling, but that's to be expected, grumbling, not totally willingly. It's a good solution, but I think there could be some adjustments. Maybe we'll get into those a little bit more when we go into Committee of the Whole. Suffice it to say that I think we're on the right track.

I would just like to maybe give initial notice of some of the things that we would like to see changed in this Bill, some of the principles that we think need to be fulfilled in view of this policy that's coming forward. One of the principles that we want to see is that there's a balanced economic development. There must be a mechanism in place that will ensure that all Albertans can benefit from the important role that economic development plays in this province. Government must ensure that the system which replaces EEMA takes into account the diversity of this province and ensures that all regions have the opportunity to have equal access and benefit of low-cost power. Now, that might sound like motherhood, but, you know, you take this Bill, Mr. Speaker, and you put it in context of Bill 34 – and I'm sure they thought about this. I haven't because we don't get copies of the Bills, as I pointed out earlier, in advance like everyone else in the province. I'm wondering how Bill 34 is going to now be affected by the fact that we have this EEMA revision.

Another thing that's coming out that is going to be a problem – and I don't think the government's given it a lot of thought yet

but I think it's around the corner, Mr. Speaker – is I think the Americans are coming. I think the Americans are going to try to start selling power in this province.

MR. JACQUES: A point of order.

THE DEPUTY SPEAKER: The hon. member is rising on a point of order. You'll care to share . . .

Point of Order
Relevance

MR. JACQUES: Standing Orders (h), (i), (j), but also I guess more specifically *Beauchesne* 459 with regards to relevance. As I understand it, Mr. Speaker – maybe I have to be corrected – I thought we were on Bill 35 with regard to the electrical energy repeal Act. That is a very specific, narrow Act in terms of it has no tie – I should say, we're not debating Bill 34, yet most of the points that are being raised are relevant to 34 and not to 35. So I request your ruling.

THE DEPUTY SPEAKER: Calgary-West to the point of order by Grande-Prairie-Wapiti.

MR. DALLA-LONGA: For starters, (h), (i), (j). I didn't make any allegations. He's, like, accusing me of something and quoting under . . . [interjections]

MR. BRUSEKER: *Beauchesne* 459.

MR. DALLA-LONGA: He said 23(h), (i), (j). Okay, so I'll accept his . . . [interjections]

THE DEPUTY SPEAKER: Order. Let the hon. Member for Calgary-West make his point. There were four citations made, and he's just trying to address them.

MR. DALLA-LONGA: Well, the one I heard was 23(h), (i), (j). Nonetheless, forget about the citations. He's talking about relevance.

Mr. Speaker, my point is quite simply this, and I hope the hon. member is listening this time. We're talking about the repeal of EEMA as it exists, and what I said was that I'm concerned. By repealing this Act, what other implications might come? Because we haven't had a chance to look at this Bill like everyone else has. So I quite simply said that I'm wondering if Bill 34 is going to impact, in which case maybe we need to have a look at Bill 35. I don't see what the problem there is. [interjections]

THE DEPUTY SPEAKER: Are we going to have a debate on the point of order? The hon. Member for Three Hills-Airdrie.

MS HALEY: Well, has the hon. member finished his speech? [interjections] I'm sorry. I apologize.

THE DEPUTY SPEAKER: I thought you were rising on the point of order.

Clover Bar-Fort Saskatchewan on the point of order.

MRS. ABDURAHMAN: Yes, speaking to the point of order. Mr. Speaker, when you have a Bill of this nature, Bill 35, which is repealing the Electric Energy Marketing Act, I believe that in the debate with regard to repealing an Act it would be very

relevant to be examining what's going to replace it. Indeed, if you don't like what's going to replace it, why would you repeal it? So when you're saying there's no relevance, I would question that, when indeed it is an Act to repeal, so there has to be relevance to what is going to replace it. I would suggest that the point of order is not in order.

THE DEPUTY SPEAKER: The hon. Deputy Government House Leader on the point of order. I think this will be the last one we will have.

MRS. BLACK: Clearly, Mr. Speaker, I believe there is a point of relevance as raised by my hon. colleague, because this repeal Act was placed on notice last week, and that gave ample time for the hon. Member for Calgary-West to go through the existing – this is a repeal of an existing Act that I believe has been in place since 1982, and that Act is public. If the hon. member had wanted to review that Act and the implications of repeal, then he had ample time to do that.

Further on the point of order, the lead-up, the notice for the other Act was on notice as well, and they knew it was a framework for a new generation and transmission and distribution of electricity within this province.

There was ample time, and I do believe that there is a point of order in 459 as presented by my hon. colleague.

[An hon. member rose]

THE DEPUTY SPEAKER: I'd indicated, hon. member, that we would take the two points of order.

First of all, I think that Calgary-West addressed the first three citations of the point of order; that is to say, the various parts of Standing Order 23, which perhaps were made in error and certainly would not appear relevant here. The issue of relevance is an interesting one. The replacement in a sense is not relevant. The two Bills are separate pieces and must be debated each on their own merit even though they're related. However, I'm given to understand that even though each Bill is independent, we don't know the fate of the next Act. All we know is the one that we're debating. However, if we read "Relevance," it says, "Relevance is not easy to define." Wonderful opening.

In borderline cases the Member should be given the benefit of the doubt, although the Speaker has frequently admonished Members who have strayed in debate.

I'm encouraged by that because if I remember correctly, the hon. Member for Calgary-North Hill, who moved second reading of this Bill, said that much of the debate from 34 was relevant to 35. Is that not what he said? That was the information that I had. We'd have to see the Blues in order to see that, but there was some comment made on that point.

10:10

An ideal situation has arisen where I wouldn't want to call, strictly speaking, relevance because I thought there was some invitation to refer to it, but the Chair would say to the hon. member that if he could stay to 35 – he's made his point to connect with 34. Let us stick with 35 as best you can.

MR. DALLA-LONGA: Thank you, Mr. Speaker. I must tell you that I'm still outraged by the conduct of Grande Prairie-Wapiti and the allegations.

Debate Continued

MR. DALLA-LONGA: Anyway, Mr. Speaker, the EEMA issue. Another factor that members on this side want to ensure, another feature, is that we have free and open competition and, in that regard, that all power generators have the ability to compete for new generation capacity on a level playing field. Whether that happens in other Bills or not – I'm not going to stray. I won't say whether that's been hindered. I won't say.

[Mr. Clegg in the Chair]

The thing that everybody wants is that at the end of the day as a net result we have lower cost power for Albertans. I think that's a common goal for members on both sides of this House and for Albertans, that any system that does replace EEMA has got to have a feature in it that gives the lowest possible rates and hopefully the lowest possible rates in North America.

Mr. Speaker, I guess one of the things that I would like – and maybe we can save this for Committee of the Whole and give the government an opportunity to think about it. It's a concern that's been raised by constituents of mine. I've received phone calls on that this afternoon as well. The issue is: what's going to happen when the Americans come? The Americans are going to have the ability to sell power.

MR. JACQUES: Point of order.

THE ACTING SPEAKER: The hon. Member for Grande Prairie-Wapiti on a point of order.

Point of Order Relevance

MR. JACQUES: Thank you, Mr. Speaker. *Beauchesne* 459, relevance. The last time I rose on a point of order was at the same point: what happens if the Americans come? I'm paraphrasing what the hon. colleague said. Again I want to relate that back specifically to Bill 35, the interpretation within the narrow limit of the Speaker that had ruled with regard to the interpretation. I suggest we have now strayed beyond what the narrow interpretation was.

Thank you, Mr. Speaker.

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

MR. DALLA-LONGA: Well, Mr. Speaker, I don't know. I mean, maybe he's getting up to exercise his leg or something. I don't know. I fail to see what his problem is. We are changing an Act. We're going from a system where everything was thrown into a pool and all the rest of that stuff about EEMA, and we're now changing it to where new electrical producing facilities are put in place and are going to be done on a stand-alone basis. I'm asking the question: does this open the door to people from outside of Alberta? What are the implications? Okay? I'm putting it on the table. Now, maybe there is no implication, and maybe he'd come back in Committee of the Whole and say that. But I don't know; maybe he's just trying to exercise his leg. I don't know, but the fact of the matter is that I'm trying to make reasonable debate here, get reasonable issues out on the table. These are actually issues that have been raised by people out there in Alberta.

Thank you, Mr. Speaker.

THE ACTING SPEAKER: On the point of order. When we're in second reading, it's the whole Bill that we can discuss, and we don't have to be specific. I just hope you don't go by the United States and get down into Mexico and Argentina or something. Your comments are certainly in order, and would you continue with your remarks.

Debate Continued

MR. DALLA-LONGA: God, I'm almost afraid to say anything. Mr. Speaker, I can assure you of one thing: I won't talk about bringing power up from Mexico because the previous economic development minister hasn't got his highway built to Mexico yet.

Anyway, Mr. Speaker, there's really not a lot of other things that I would like to say at this point. Let me suffice by saying that the Bill is headed in a very, very positive direction. I think it's going to have the support of most Albertans. I look forward to addressing some of the issues and concerns that I've raised today. With that, I'd like to give some of my other colleagues an opportunity to speak.

Thank you.

THE ACTING SPEAKER: The hon. Member for Three Hills-Airdrie.

MS HALEY: Yes. I'd like to adjourn debate, Mr. Speaker.

THE ACTING SPEAKER: The hon. Member for Three Hills-Airdrie has moved that we adjourn debate on Bill 35. Are you all in favour of that adjournment motion?

SOME HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed, if any?

SOME HON. MEMBERS: No.

THE ACTING SPEAKER: Carried.

head: **Private Bills**
head: **Committee of the Whole**

[Mr. Clegg in the Chair]

THE DEPUTY CHAIRMAN: Can I have order. Please take your seat. We're in committee now. You can sit beside anybody.

10:20

Bill Pr. 1

Missionary Church Amalgamation Authorization Act

THE DEPUTY CHAIRMAN: Are there questions, amendments with respect to this Bill?

DR. L. TAYLOR: I move the question be put.

[The clauses of Bill Pr. 1 agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed, if any? Carried.

Bill Pr. 2

City of Edmonton Authorities Repeal Act

THE DEPUTY CHAIRMAN: Any questions, amendments to be offered with respect to this Bill? The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Mr. Chairman. This Bill simply repeals redundant legislation as a result of the reorganization of the Edmonton Economic Development Authority, and as such I would then, on behalf of the hon. Member for Edmonton-Beverly-Belmont, move that the question be put.

[The clauses of Bill Pr. 2 agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed, if any? Carried.

Bill Pr. 3

Alberta Stock Exchange Amendment Act, 1995

THE DEPUTY CHAIRMAN: Are there any questions, amendments to be offered with respect to this Bill? The hon. member for Medicine Hat.

MR. RENNER: Thank you, Mr. Chairman. On behalf of the hon. Member for Calgary-Egmont, I move the question be put.

[The clauses of Bill Pr. 3 agreed to]

THE DEPUTY CHAIRMAN: Hon. Government House Leader and Calgary-North West, is this a conference call or what is it?

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed, if any? Carried.

Bill Pr. 4

Galt Scholarship Fund Continuance Act

THE DEPUTY CHAIRMAN: Any questions, comments, or amendments to be offered with respect to this Bill? The hon. Member for Lethbridge-West.

MR. DUNFORD: Yes. Thank you, Mr. Chairman. I move that Bill Pr. 4 be amended as follows: number one, that the following be added in the preamble before the first recital:

Whereas the board of the Lethbridge General and Auxiliary Hospital and Nursing Home District No. 65 was disestablished by Order in Council 159/95 on March 15, 1995, and its affairs were taken over by the Chinook Regional Health Authority; and

number two, in section 2(b) by striking out "Lethbridge General and Auxiliary Hospital and Nursing Home District No. 65" and substituting "Chinook Regional Health Authority."

Mr. Chairman, I believe that the amendments have been circulated to all members. These amendments reflect events that occurred between the time the Bill was drafted and the hearing of the petitioners by the Standing Committee on Private Bills. On March 15, 1995, the Lethbridge general and auxiliary hospital and nursing home district No. 65 was disestablished by the order in council and its assets transferred to the Chinook regional health authority. This amendment ensures that the proper parties are named in the Bill. This amendment has been recommended by the committee, and I might add that it was recommended by the petitioners.

THE DEPUTY CHAIRMAN: Any questions on the amendments?

[Motion on amendments carried]

[The clauses of Bill Pr. 4 as amended agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed, if any? Carried.

**Bill Pr. 5
First Canadian Casualty Insurance Corporation
Amendment Act, 1995**

THE DEPUTY CHAIRMAN: Are there any comments, questions, or amendments to Bill Pr. 5? The hon. Member for Leduc.

MR. KIRKLAND: Mr. Chairman, thank you. I would move the following amendment to Bill Pr. 5: in section 3, section 2.2 be struck out.

Now, I understand, Mr. Chairman, that the amendment has been distributed throughout the House. If you look at the amendment as proposed, it deletes section 2.2 of the Act, which names the new directors of the corporation.

Now, you're somewhat disadvantaged when you're not part of the discussions in Private Bills, and I would have to indicate, Mr. Chairman, that I don't have the complete grasp, as I should. In the notes that I had prepared for me by legal counsel, it indicates that the superintendent of insurance had some concerns about identifying the directors, that it may have had an effect on the investigation which is undertaken under section 39 of the Insurance Act when directors change between incorporation and the issuance of a licence. They further state that the petitioners have agreed to the amendment, which addresses the concerns brought forth by the superintendent of insurance, and it is my understanding that the committee has recommended this particular amendment.

THE DEPUTY CHAIRMAN: Any questions on the amendment?

[Motion on amendment carried]

[The clauses of Bill Pr. 5 as amended agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed, if any? Carried.

**Bill Pr. 8
Milk River and District Foundation Act**

THE DEPUTY CHAIRMAN: Any amendments or questions to be offered?

MR. HIERATH: Mr. Chairman, I move the question be put.

THE DEPUTY CHAIRMAN: Ready for the question?

SOME HON. MEMBERS: Question.

THE DEPUTY CHAIRMAN: Oh, sorry.

MR. KIRKLAND: I wonder if I might ask for some clarification on this Bill from the chairman of the committee. I look at the private Bills that are here before us, and I see, for example, Bill Pr. 10, which is the Calgary Regional Health Authority Charitable Annuity Act, and then again when we're dealing here with the foundation. It strikes me that we're having more and more different organizations appear before Private Bills to actually establish annuities or foundations as such. I wonder if the chairman of the committee could clarify or educate me in the sense of: is this not more rightly a process that should take place with provincial legislation as opposed to individual legislation? When I ask that, I wonder if we're not going to run into some large inconsistencies in foundations and the likes of that and quite a patchwork throughout the province.

THE DEPUTY CHAIRMAN: The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Mr. Chairman. That's a pretty good question. As a matter of fact, that question was asked of the petitioners when they appeared before the committee.

This Bill is patterned after a number of other community foundation Bills. There's the Lethbridge community foundation, the Medicine Hat Community Foundation. There's a foundation in the city of Edmonton. A number of communities have such a foundation in place.

The reason that the petitioners and the organizations asked the Legislature to pass a Bill incorporating their foundations as opposed to simply incorporating under the Societies Act – which is open to them and there's no reason why they couldn't – is because a number of these community foundations solicit donations of a fairly significant nature. The case that was brought forward to the committee would be such that an individual may have a significant estate, may have no heirs to give that estate to, and they want to reinvest in their own community. They've been born and raised within the community, in this case the community of Milk River. They want to reinvest their life savings back into that community.

By incorporating this as an Act of the Legislature, there's more permanency to it. It's not simply an organization incorporated under the Societies Act that can be unincorporated as easily as it can be incorporated. By forming a foundation such as this, if nothing else there is the longevity and certainly much more visibility and permanence involved.

So that's the reason why organizations such as this are asking for Bills to be passed in the Legislature rather than through the Societies Act.

10:30

THE DEPUTY CHAIRMAN: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. I wish to express at this point in time that I, too, have some questions and concerns. Certainly they were addressed within Private Bills Committee, but my concern is that I see a direction happening within the province of Alberta that quite frankly I'm not comfortable with, and that is private Bills being used by public bodies to develop foundations when indeed I would suggest the fact that they are publicly funded bodies, be they municipalities, be they regional health authorities – I could go on and use some other examples.

When you're looking at publicly funded bodies, Mr. Chairman, I would suggest that the appropriate place to develop those policies is in open Legislatures with umbrella legislation. When we hear this Bill being compared to the Edmonton foundation, I don't believe that the comparison is indeed a fair one. My concern is the fact that municipal government is very much involved in this private Bill, which to my mind is substantially different from the Edmonton foundation.

So I would say to the members within this House that when we look at what private Bills are all about, I have a level of discomfort – and it's growing – that what we're seeing in essence are the first stages of public policy being developed by this government. I would say to Albertans: be careful; watch what's happening here. I can think of the Gimbel Bill. Now look at us moving into municipalities with foundations and using the argument that's been brought forward at this time. We're now going to be looking at Bill Pr. 10, which is a regional health authority with annuities. We could end up with 17 of these private Bills if every hospital foundation or every regional health foundation wants to have annuities. I'd question: is this the direction that we should be taking? I would say no. I would be saying that if we want to allow annuities to happen in regional health authorities' foundations, let's do it under umbrella legislation and fully debate it within this House.

Mr. Chairman, I would like to give notice at this time that when Bill Pr. 10 comes up, I'd like to further my comments at that time.

[The clauses of Bill Pr. 8 agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed, if any? Carried.

head: **Government Bills and Orders**
head: **Committee of the Whole**

Bill 28
Real Estate Act

THE DEPUTY CHAIRMAN: Are you ready for the question?

SOME HON. MEMBERS: No.

THE DEPUTY CHAIRMAN: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Yes, Mr. Chairman. I rise once again to speak in favour of Bill 28. As I'd indicated to the mover, I certainly would once again like to reiterate that it's a well-written piece of legislation. I commend the mover for bringing it forward, but at this time I would like to move an amendment. That amendment has been signed, and there were four copies. [interjection] No. I would like to ask that they be circulated at this time.

While it's being circulated, Mr. Chairman, I just want to acknowledge that my colleague the Member for Edmonton-Roper had raised the concern that there appeared not to be an acknowledgment of "corporation" in the Bill. In reviewing the Interpretation Act, we certainly know that "person" is used in the definition for co-operation. Knowing that, we on this side of the House believe, other than this amendment I wish to move at this time, that this indeed is an excellent Bill.

Having said that, when we're dealing with fairness I believe the consumer must have fair representation on a Bill of this nature. So, Mr. Chairman, I'd like to move that Bill 28 be amended by striking out section 6(1)(c)(v) and substituting the following:

- (v) from nominations received from other real estate boards in Alberta, 1 member who must be a real estate broker and one member who must not be an industry member;

In other words, it would be a member at large. With this amendment, that would then bring the total number of consumers or members at large to three.

Mr. Chairman, that's in keeping with many other councils or bodies within the province of Alberta, and I'll use the example of the college of physicians and the Law Society. Those two bodies have three members at large. I believe that in a council of this nature, which is 11 in numbers, there isn't a fairness. There isn't an equity when you look at the composition: nine members of the industry to two members at large.

So I'd ask, Mr. Chairman, for unanimous support of this amendment, because indeed as was stated by the mover of the Bill, there's no Bill that has a greater importance to Albertans. We all at some point in time buy a home, have a mortgage. It only makes sense to have an appropriate number of consumers on this council, which should be three.

The other aspect, Mr. Chairman, is that we know, unfortunately, whether it's in the legal profession or whether it's in the medical profession or indeed in the real estate industry, that there are some charlatans out there, and people abuse authority. So once again I would say that the consumers, the members at large, bring that broad perspective to the council.

With those comments I would ask for unanimous support of this very important amendment.

Thank you, Mr. Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Leduc.

10:40

MR. KIRKLAND: Thank you, Mr. Chairman. I was just listening to the hon. Member for Clover Bar-Fort Saskatchewan make her point. I think certainly we as legislators have to ensure each time we get into a piece of legislation that a real estate committee such as the one that's being proposed here does have some balance to it. I would commend the Member for Lacombe-Stettler for bringing the Bill forward, and I think in general, as the hon. members who have spoken today indicating their support, I am in support of it as well.

This is one small area of improvement, Mr. Chairman, that would enhance it. It's not unlike many of the small amendments that come forth. We're simply looking to ensure that the integrity of the board is there and that there is a conscience associated with that board. If we align it simply with those who have a vested interest, it certainly is more apt to stray from the path that was intended.

This amendment that's being put forth here – and when we look at it, "one member who must not be an industry member," that's a very desirable approach. It brings a viewpoint from the outside to the board that, I would suggest, can in some cases take on the role of a devil's advocate. As a result of that, as we all have been spurred to broader and wider thought in our discussions as politicians by those that sometimes play the devil's advocate, I would suggest that this certainly is, Mr. Chairman, a positive amendment.

I would stand in support of the amendment. It will not detract from the Act itself. It will not make the Act any weaker. It will not detract from the principle of the Bill, because on the whole this side and I think the members from the other side who have spoken to it have indicated it is a positive Bill. I'm of that opinion as well. This just takes it one step further to make it a that much more positive Bill.

I would be pleased to support the amendment, Mr. Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. Just a couple of words on this particular amendment. When you look at the section that the amendment proposes to improve with this proposal by the Member for Clover Bar-Fort Saskatchewan, it talks about a council of 11 members. When you sum up all of the totals, of the 11 members a total of nine of them as currently listed in the Bill are industry members and two of them are not industry members. What this Bill proposes to do is just change that ratio a little bit, from 9-2 to 8-3. The total would still remain the same.

The interesting thing that comes from this, of course, is that it allows that members from the public who have some interest or some expertise or some experience in real estate can in fact have an involvement here. If you go back to the heading at the beginning of section 6(1)(c), it must be noted that it's the Alberta Real Estate Association that would be making the appointment. So in fact the Alberta Real Estate Association's interests could still be protected because they would be making the appointment. They could find, if you will, a lay member, someone, as the Member for Clover Bar-Fort Saskatchewan talks about, who has had the experience of buying and selling perhaps several homes, perhaps several businesses, and therefore has an understanding of how the industry works, of some of the rules and regulations that are involved, and has sort of firsthand experience, if not from the standpoint of being a real estate agent perhaps from the standpoint

of being either a vendor or a purchaser in a real estate deal. From that standpoint, Mr. Chairman, certainly the experience of such an individual could bring a new and perhaps fresher viewpoint to this board that is being proposed.

So from that standpoint, Mr. Chairman, I support the amendment put forward by the Member for Clover Bar-Fort Saskatchewan and encourage other members to give it their consideration as well. I don't think this would impede the ability of the council to follow its undertakings and to carry out its required duties and therefore is, I think, a very friendly and a very thoughtful amendment that should be accepted by the committee.

THE DEPUTY CHAIRMAN: The hon. Minister of Justice.

MR. EVANS: Thanks very much, Mr. Chairman. I've listened attentively to the concerns of the members for Clover Bar-Fort Saskatchewan and Calgary-North West, and I must say that there is of course merit in having members who are not aligned with the bodies that . . .

THE DEPUTY CHAIRMAN: Order in the House, please. We can't hear the hon. Minister of Justice.

MR. EVANS: I'm still in recovery of my voice from last week, Mr. Chairman. I guarantee you I will be much louder next week.

Again, there is some merit, of course, in having bodies that are regulated and having membership from organizations outside of the practices that are being considered and are being regulated.

That said, I think we must recognize as well that the hon. sponsor of this Bill and the government have had numerous discussions and conversations with the Mortgage Brokers Association and with the Real Estate Association to come to a conclusion about how to deregulate and consolidate these two organizations under one heading and make them more effective. That has taken time and effort. The membership of the council itself I'm sure has had a significant amount of debate during the time that this legislation was being considered.

I think it would be a fairer position to allow this legislation to go through as it has been proposed, making note of the concerns and the considerations that the hon. members opposite have made. I'm not discounting them, but I think it would not be fair at this late date in the review of this Bill to have that dramatic a change in the makeup of the council. It is possible of course to bring forward amendments that would change the membership and increase the numbers of those who are not industry members at some later point in time if in fact there is a perceived concern from the operation of that council as it is currently proposed.

Therefore, on behalf of the government, while we do respect the concerns that have been raised, I will be encouraging my colleagues to vote against the amendment, with all due respect, but with the undertaking that we will continue to monitor the operation of that council and to address the concerns of the hon. members opposite in terms of the independence of some members of that council, independence from the two associations that are combining here to create that council.

THE DEPUTY CHAIRMAN: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Yes, Mr. Chairman. I am somewhat disappointed to hear the Minister of Justice's comments, at the same time acknowledging that you were seeing the positives in it.

That disappointment comes from the fact that the consumers of Alberta have to have a party – and that party has to be the government of Alberta – to look after their best interests. Since I've sat in this Legislature, one of the things that's become evident to me is that indeed there really is not the degree of interest in protecting the consumer demonstrated by this government. It tends to be a buyer beware attitude.

Now, Mr. Chairman, you know, you look at the college of physicians or you look at the Law Society. It took them years before they responded in a positive way to have consumer representation at appropriate numbers on their councils. It took example after example where indeed the public was questioning the accountability of the college of physicians when it came to disciplining of their own membership, likewise in the law profession. I heard the other day there a question being asked directly at another professional body, at the lack of accountability.

So, Mr. Chairman, I find it somewhat disappointing that when the Minister of Justice was speaking about who was in that consultative process, he didn't identify the Consumers' Association of Alberta. He didn't identify one of the key components of that consultative process.

MR. EVANS: I just forgot.

MRS. ABDURAHMAN: Well, Mr. Chairman, the Minister of Justice is saying that he just forgot, but that's an example of what I see in this government. The consumer is taking a back seat, whether it be in health, whether it be in education.

Now, I firmly believe that the Real Estate Association and the real estate industry for the past 10 years have had the best interests of the consumer at heart, because it took 10 years to convince the government of the day to get to this point in time. All I'm saying is that you should have taken that extra step and made sure we had comparable consumer representation on this council that we know is on other councils in the province of Alberta and not go through the same painful processes and having Albertans hurt to get to that point in time. So I say on behalf of the consumers of the province of Alberta that it's a sad day when we use the kind of flimsy excuses to vote down this amendment.

Thank you, Mr. Chairman.

10:50

THE DEPUTY CHAIRMAN: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Chairman. The hon. Member for Clover Bar-Fort Saskatchewan has moved me to stand up and reiterate some of the points that have been made, with due respect to the Justice minister because I certainly appreciate the fact that at least one member will get involved in the debate over there. The operative word that he used when he was discussing this legislation was that he assumed there was a fair bit of debate and consultation that had taken place. Well, I'm sure the hon. minister knows that when you break "assume" down into the three syllables, it has a tendency to have some ramifications to both sides here. We know what they generally are.

I have some concern that when we look at this legislation – and if we were to follow the hon. Justice minister's train of thought, I take comfort from the fact that he indicates he will monitor it very closely – I think the essence of the amendment here really is to put in place solid representation from those that don't have a vested interest. That, in my view, is a sound approach to setting the board up as opposed to waiting till it gets mired in some sort of muck or controversy and then going back and attempting to

unlock it at that point. This here is forward thinking or a proactive suggestion that the Member for Clover Bar-Fort Saskatchewan has brought forward.

My observations are not unlike hers, that the consumer really is being left out of the decision-making process and out of the protection process too often in too much of the legislation we have here. With due respect to the real estate board, they have in the past policed themselves very well. I would commend them for that. But I don't think that precludes the fact that we cannot add to this board's imbalance to ensure that the consumer's viewpoint is heard. If I recall correctly, the consumer and corporate affairs department in this province has been somewhat diminished over the last couple of years, and if we are to offset that lack of a voice on a regular basis or a provincewide basis, then the boards that we are setting up certainly should have that component associated with them.

The question that has to be asked here: does it denigrate from the proposed Act itself? I would suggest it doesn't. Does it hamper or handicap? No, it doesn't. That being the case, we certainly shouldn't be afraid to step forth and ensure that the consumer's viewpoint is looked after in this case. So I would reiterate one more time: let's look after the consumers of Alberta. They do not have the voice that's required, and this little amendment, which will not detract from this Act, will provide them with that voice. I think it's critical, and I think it's important.

[Motion on amendment lost]

MRS. ABDURAHMAN: I'd like to end on a positive note, because certainly this Bill is a good Bill. I commend the real estate industry for bringing this Bill forward in consultation with the government.

Thank you, Mr. Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I would like to leave it on a good note, but there's one issue that jumps to my observation here, which is section 6. This is the section that the member was trying to amend. If you look at the structure of section 6, it talks about how the council will be constructed. It talks about 11 members. It says that the minister may appoint one member. It talks about "the Alberta Mortgage Brokers Association shall appoint one member." It talks about "the Alberta Real Estate Association shall appoint 6 members." So now we're up to eight. We've got BOMA, the Building Owners and Managers Association of Edmonton, the Building Owners and Managers Association of Calgary, and the Real Estate Institute of Canada shall appoint the ninth member. Then we get to the appointment of the 10th and 11th members.

Now, I know that the members across are all in favour of something called a triple E Senate, so I want to draw a little analogy here. Let's suppose that the Prime Minister appoints some Senators to the Senate and says: "You, ladies and gentlemen, will be the Senators. Out of the total of 108 Senators that are here . . ."

MR. THURBER: We just voted the amendment down.

MR. BRUSEKER: Very good. I'm glad you're with us, hon. minister.

So out of the total of 108 Senators that are possible in the Senate, the Prime Minister says, "I'm going to appoint 80, and you other Senators are going to appoint the remaining 20." That's effectively what section 6 says. Section 6 says that there will be some members, nine, appointed by various organizations. Once we have those nine appointees in place, the appointees will appoint the other two people. That would be like Senators in the Senate appointing the balance of Senators to fill out that particular House.

MRS. ABDURAHMAN: The minister appoints one.

MR. BRUSEKER: No. I'm looking at section 6(1)(e). Section 6(1)(e) says: "the members appointed under clauses (b) to (d) shall jointly appoint 2 members." So the eight members that are appointed in clauses (b), (c), and (d) collectively will appoint two. So these are appointed individuals appointing other members.

Now, quite frankly, Mr. Chairman, I don't have an amendment to put forward on this particular section, but I do have a concern that we will see some members of this council be appointed who in turn will appoint other members. Quite frankly, as soon as you get into the whole issue of appointments, you get into a sensitive area. Then when you have appointees themselves making appointments, I think that's an issue of concern, because really what we're attempting to create here, if you will, is a body that is representative of the real estate industry. For the most part, out of the 11 members nine of the members will be representatives of a particular group or organization or in one case a representative of the minister, because the minister does under section 6(1)(a) have the authority to appoint one member.

If we look at the two individuals who will be appointed under section 6(1)(e)(i) and (ii), who are they going to be representative of? Whose interests will they be putting forward in the debates that occur within the council? Under section 6(1)(e)(i) they are not members of the Alberta Real Estate Association but someone who must nonetheless be an industry member somehow and then someone else from the public at large.

While I appreciate the concept of will be nominated "from the public at large," why not have the Real Estate Association make that appointment as a group or the Building Owners and Managers Association of one or the other or both of the cities make that appointment? To simply have them come from appointments by the members themselves quite frankly, Mr. Chairman, strikes me as being possibly in itself a conflict of interest, because you will have appointed individuals appointing other persons themselves. I can't imagine the situation, but if you have appointees appointing others, it strikes me that there is a potential for danger. There's a potential for some error to occur in that section, and it strikes me that that is a problem with this Bill that should be corrected before it passes.

11:00

So, Mr. Chairman, I will close with that concern on this Bill. I do want to echo the overall intent that the Member for Clover

Bar-Fort Saskatchewan has raised, that she feels by and large that it's a good Bill. I think this is one potential flaw that should be and could be corrected before it proceeds much further, and I'm sure the Minister of Justice will look forward to doing that.

Thank you.

[The clauses of Bill 28 agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed, if any? Carried.

MRS. ABDURAHMAN: Unanimously.

THE DEPUTY CHAIRMAN: Unanimously, right.
The hon. Government House Leader.

MR. DAY: What were you going to say?

THE DEPUTY CHAIRMAN: I was going to keep going all night.

MR. DAY: Mr. Chairman, I move the committee rise and report.

[Motion carried]

[Mr. Clegg in the Chair]

MR. TANNAS: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills. The committee reports the following: Bills Pr. 1, Pr. 2, Pr. 3, Pr. 8, and Bill 28. The committee reports the following with some amendments: Bills Pr. 4 and Pr. 5. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

THE ACTING SPEAKER: Thank you, hon. member.
All agreed with the report?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed, if any? Carried.

[At 11:04 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

