Legislative Assembly of Alberta

Title: Monday, April 6, 1998 8:00 p.m.
Date: 98/04/06
[The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: Please be seated.

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

[Mr. Tannas in the chair]
THE CHAIRMAN: I'd call the Committee of the Whole together.

Bill Pr. 1
Tanya Marie Bryant Adoption Termination Act

THE CHAIRMAN: Hon. Member for Calgary-Fort, any comments?

MR. CAO: Thank you, Mr. Speaker. I move that the question be put on Bill Pr. 1.

[The clauses of Bill Pr. 1 agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Bill Pr. 2
Innovative Insurance Corporation Amendment Act, 1998

THE CHAIRMAN: The hon. Member for Leduc.

MR. KLAPSTEIN: Thank you, Mr. Chairman. I move that Bill Pr. 2 be amended by adding the following after section 2:

> 3. The following provisions are amended by striking out "$1,000,000" wherever it occurs and substituting "$3,000,000":
> section 3;
> section 4(1).

THE CHAIRMAN: The amendment will be known as amendment A1. Any discussion on the amendment?

[Motion on amendment A1 carried]

[The clauses of Bill Pr. 2 as amended agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall the bill be reported?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Bill Pr. 4
Millennium Insurance Corporation Act

THE CHAIRMAN: The hon. Member for Calgary-Currie on behalf of Banff-Cochrane.

MRS. BURGENER: If I may, Mr. Chairman, I'd like to have the question put on Bill Pr. 4 in the name of my colleague from Banff-Cochrane.

[The clauses of Bill Pr. 4 agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

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

Bill 23
Railway Act

THE CHAIRMAN: We are under way, and we have an amendment under consideration, A1 as proposed by the hon. Member for Spruce Grove-Sturgeon-St. Albert. On her behalf the hon. Member for Edmonton-Ellerslie is going to speak.

MS CARLSON: Yes, Mr. Chairman. When we last had this bill and this particular amendment under discussion, the minister undertook to take a look at what he could do with regard to the amendment and perhaps tighten up section 56 in the bill. I'm wondering if he could report on his progress.

THE CHAIRMAN: The hon. Member for Fort-McMurray.

MR. BOUTILIER: Thank you. I did want to say that in terms of section 56(1) the question is: what is the rationale for including this type of provision? I'd like to offer you some comment pertaining to that.

What has been done is a lot of research and consultation in the development of this new act. However, to the hon. member, as you're aware we are rewriting the 90-year-old act. To be fair, we simply don't have a lot of experience on the development of new railways in the modern history of this province. Essentially section 56 is intended to provide, quote, an interim measure, whereby in case there is a gap in the act where there are situations that the act has not foreseen, the Lieutenant Governor in Council could pass interim provisions by regulation to deal with the situation. This way the government would not have to hold up the approval of a project, for example, in the case of the House not sitting.

Now, the government has two years, though, to the hon. member, to bring the interim provisions back to the House for approval to formally add the sections back to the act. You'll also note that under section 56(4) this section will expire after three years. We believe it will take some three years to work out whatever, quote, unquote, glitches there are, so that is why they put in the automatic sunset clause.

I just want to tell you that this kind of provision is quite common especially in new acts, and as the member is aware, some similar legislation provisions passed by the Assembly include section 72 of the Electric Utilities Act, section 603 of the Municipal Government Act, section 35 of the Alberta Housing Act, section 160 of the Local Authorities Election Act, and of course I can go on with other examples.

So essentially, to the hon. member, section 56 in Bill 23 really isn't anything new or extraordinary, keeping in mind the sunset clause of three years to be able to deal with something that is being revamped after 90 years.

Thank you to the committee chair.

MS CARLSON: Well, Mr. Chairman, we understand the value of having a sunset clause in this kind of a bill. The problem is that when you say that you need this kind of a broad provision because you don't really know what may come up with railways that are occurring in the province – you don't have any experience in running them, and for that reason just in case you need to make a new regulation or new provision in case the House isn't sitting at that particular point in time seems to be too broad of a brush for us, and we have a problem with that section.

It was my understanding that the minister of transportation was going to take a look at that in terms of tightening up, of being a little more specific. I think that it doesn't satisfy our needs as it stands, and while the explanation that you've given is interesting to hear, it in fact raises more concerns for me because there are too many what ifs in that particular provision. I don't think it's too much to ask for. If you have to come back into the House for some sort of a provision to let one of these short lines operate, you could do that.

8:10

I understand the nature of getting these things up and running, and it isn't like they've got a one-month completion date from the start to the finish. These are longer term projects. We have every expectation of being in the Legislature two times every year for two sessions, and that should give ample opportunity to bring any information back into the Legislature for debate, thereby passing whatever regulations are required under a miscellaneous amendment act or whatever is necessary. We clearly do not see the need for that particular section in this bill, so I'm wondering if you could respond to that.

THE CHAIRMAN: The hon. Member for Fort McMurray.

MR. BOUTILIER: Thank you, Mr. Chairman. From the discussions that I understand were held with the minister pertaining to consideration and the attention given to 56(1), I also wanted to point out and failed to that as indicated previously by the hon. minister of transportation in his comments last week, we are rewriting the act, but it's important to note that these interim regulations will only be effective for the two-year period at the most. Within the two years the government would have to bring back the interim provisions to the House for debate to formally add sections back to the act. Otherwise the provisions would die.

So I would like to reiterate that we have identified other various provincial statutes that contain similar provisions. We have, however, provided in this act for, as I mentioned earlier, the sunset clause for section 56 after three years. This restriction is not provided in some of the other acts that I have mentioned. I do believe and we believe that this is a fair and appropriate approach. Section 56 does provide flexibility to ensure that we are able to address any unexpected issues that do come up in the act.

[Mr. Herard in the chair]

Again, I think it's important to note that these are interim regulations and will only be effective for two years at the most. Within the two years the government would have to bring the interim provisions back to the House for debate to formally add the sections back to the act. Otherwise the provisions would die.

I might add that we appreciate the consultation that has taken place in terms of some of the flexibility we're providing to accommodate the concerns that have been raised.

Thank you, Mr. Chairman.

THE ACTING CHAIRMAN: The hon. Member for Highwood.

MR. TANNAS: Thank you, Mr. Chairman. This amendment draws attention to a section that I had some concern about. Hon. Member for Fort McMurray, I'm not sure whether you or other members are aware that there is a railway in my constituency that begins on one end of a private person's property and goes midway through his property. It's perhaps at best a kilometre, and I think perhaps a little less than that. It's a private museum.

I've got some concerns here about regulations "for any matter that the Minister considers is not provided for." I'm not sure that a private railway museum with track would be caught up by either this section or any other section and, if it wasn't caught up in any other section, whether this may be in some way construed to have an effect on this individual and his operation. It's not open to the public except by invitation to the person. Maybe some of you have been driving down highway 2 about five kilometres from the Okotoks overpass. There's a railway, and when you think of it, it's way up on a hill. It's a full-sized railway with all kinds of signals and a big railway station.

I just wondered whether or not this would have any effect on that. If the hon. member could answer that I would be ever so grateful.

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

MR. DICKSON: Thanks, Mr. Chairman. I appreciate the comments from the sponsor from Fort McMurray and just say that it was of interest when he pointed out that there were some other statutes that had a similar provision. If we look at other examples of that and we look carefully, if we look for example at the Alberta Housing Act, they use this kind of wording: "providing for any matter that is not provided for or is insufficiently provided for in this Act."

What they do there in the Alberta Housing Act in section 35(2) is they say: "A regulation made under subsection (1)(j)," which would be somewhat comparable to the one in this act, "expires on the last day of the first session of the Legislature that commences after the regulation is made." So what's significant about that is there's an acknowledgment that if something really untoward surfaces, there's an opportunity to address it and remedy it by statutory change, legislation change, during the next legislative session.

[Mr. Tannas in the chair]

We find a similar example in the Local Authorities Election Act, where they have a regulation provision section, 160(1), which provides that

> the Lieutenant Government in Council may make regulations providing for any matter not provided for or insufficiently provided for in this Act but any regulation so made ceases to have any effect after the last day of the next ensuing session of the Legislature.

So the proposition, Mr. Speaker, and the reason I support this amendment is that we've attempted to draw the attention of the Member for Fort McMurray and the transportation minister to what we thought was an excessively broad exception. In fact, I'd proposed to the minister two alternate wordings, either of which I think would have been broad enough to accommodate the kind of unforeseen situation that the Member for Fort McMurray mentioned. The first one would be that the Lieutenant Government in Council may make regulations to implement this act provided it shall not expand the scope of the act, or alternatively, that the Lieutenant Government may make such other regulation that may be necessarily incidental to the within act, either of which I think would have been able, whatever reasonable, unforeseen contingency arises, to address it in a more specific and more focused manner.

The amendment that we have in front of us speaks to sort of an all-or-nothing proposition, which is never ideal and never the most satisfactory arrangement. But I just have to say that if this is going to become a standard in terms of regulation, it's fraught with difficulty and just further undermines the supremacy of the Legislature.

I'd encourage members to send a message back to Legislative Counsel and the Department of Justice and indicate that this is too broad an exception and that when it's used, it has to be narrowed and, at minimum, narrowed as I suggested in the Local Authorities Election Act or the Alberta Housing Act, which have a more modest and yet I think a more reasonable means of dealing with regulation.

So those are the points I wanted to make, Mr. Chairman. Thank you very much.

[Motion on amendment A1 lost]

MR. GIBBONS: I'm pleased to rise tonight to speak to the principles of Bill 23, the Railway Act. As I read through this act and try to study some of the items in it, there are three main purposes. The main items in this are, one, to give the minister of transportation the ability to create safety regulations; number two, to cover under provincial jurisdiction industrial and amusement railroads; number three, to relax the rules for the development of short-rail operations. For example, under the old act it was required that each new operator be approved by the Legislative Assembly through a special act. This requirement is now removed.

Mr. Chairman, from what I read throughout it, I've got some major concerns. I understand from this that the power that once belonged to the Legislature is being given to a top government bureaucrat, with no formal reporting process back to the Legislative Assembly. This is one way I thought we were trying to get away from and trying to get more back out to the province and so on. Much is left to the regulations, which the government has failed to introduce in conjunction with the legislation. Once again, they're doing items that should not be actually looked at. And I know we just talked about this, but I think section 56 was one item that we should have been really emphasizing more.

8:20

There are 29 separate subclauses under section 30 of the act, which allows the minister to create regulations on a wide variety of subjects. Each of the subclauses in section 30 of the act already gives the minister a fair amount of leeway on what is included in the regulations. The introduction of this section seems to indicate that the minister did not do his homework. If he had, why would we need to worry about adding a section that would allow him to write regulations for anything that may or may not be provided in the act? The government already has an antidemocratic tendency, which is seen when it constantly leaves important parts of legislation to regulations without having an open, all-party review of those regulations prior to them being passed. We all know that between June 16 and January 27 of this year there were close to 300 regulations put through, so we have to be careful as a government. Hopefully, the government will be open to this and watch what they're doing.

I thank you, and I'll take my leave, Mr. Chairman.

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

MR. DICKSON: Thanks, Mr. Chairman. There's been an amendment to Bill 23, but this is a new amendment. [interjections] Through the chair I'd like to thank the members opposite for their consideration and their concern, but I want to assure them that I'm enthusiastic and I'm excited about putting forward this amendment.

I'd like to be able to say that this is a novel amendment. I think we must be up to over 72 times that this amendment has been introduced in the Legislature, but for those who may not have seen one of the earlier iterations . . . [interjection] Mr. Chairman, sometimes good ideas aren't apparent to everybody at the same time.

In any event, Mr. Chairman, seriously, speaking to the amendment, I want to move the amendment which has been distributed to all members. I'm going to forgo the reading. I'll just highlight that this is the Standing Committee on Law and Regulations amendment.

Chairman's Ruling
Decorum

THE CHAIRMAN: Just to interrupt the hon. member for a moment only to remind those that are in the chorus group that we would appreciate that they take the opportunity to speak to this amendment, which will be called A2, in their turn. But in the meantime, we'll hear from the mover of the amendment, who is moving it on behalf of his colleague the hon. Member for Spruce Grove-Sturgeon-St. Albert.

Debate Continued

MR. DICKSON: Thanks, Mr. Chairman. I neglected to mention that.

You know, it's a tremendous challenge speaking to this amendment and trying to find a new way of casting it, a new argument that would be more persuasive than the other 71 times this amendment has been put forward. Let's just summarize that what this amendment would do would be to ensure that in Bill 23 when regulations are passed by the Lieutenant Governor in Council, there would be provision for those regulations to be reviewed by an all-party committee, that same committee which has MLAs tasked to it.

I think the Member for Calgary-Glenmore may be on that committee, the Standing Committee on Law and Regulations. You know, when that member was appointed to that committee, he probably was quite excited. He thought this was going a responsibility almost as exciting as being on the health information task force or on the freedom of information review panel – and the Member for Bonnyville-Cold Lake also. Mr. Chairman, we call them the information duo in the corner there. They're on the health information task force. I'm proud to be able to sit at a

table with these two fine gentlemen and talk about ways we can promote better accountability, and this amendment does exactly that.

What it does is it implements the recommendations of the Zander committee. You know, on that Zander committee we had Chief Justice M1lvain as part of that committee. Mr. Justice Jean Coté I think was counsel to that committee. We had some of the finest legal minds in the province involved in drafting that. We consulted with provinces outside Alberta. We went to Ontario. We went to Manitoba. We went to British Columbia. We looked at the way they passed regulations in the United Kingdom. We looked at the way regulations were passed in a host of other jurisdictions. These men and women came up with the strongest, most effective model they could find that respects the role of parliamentary supremacy, that respects a high degree of accountability. Their report included a number of recommendations. The then Legislative Assembly adopted virtually every one of the Zander committee recommendations but one. The one they didn't move on was actually tasking the Standing Committee on Law and Regulations with things to do, with regulations to review.

I want to make the Member for Fort McMurray an offer and a proposal. My suggestion is this. If that member would be prepared to accept this amendment, simply to try it on a trial basis, my challenge is that in a way that will I'm sure please him and please the minister of transportation, we'll be able to be aggressive in terms of ensuring that new regulations are focused, are appropriate, are necessary, that they don't amount to empire building by people in the bureaucracy, that they are consistent with the delegated authority provided for in the act, Bill 23, that they are necessarily incidental to the purpose of the act, and thirdly, that they're reasonable – and this is important – in terms of efficiently achieving the objective of this act.

Some members may be asking: what happens if this amendment were to be defeated? With that prospect – and hope springs eternal, Mr. Chairman; we never give up hope – and with evangelical fervour, we're prepared once more to say: if we were to try this amendment, what would be lost? How would Albertans lose? Well, we might find that for a change there might be a bit of tension between a minister and people in his department who wanted a bunch of regulations passed. Legislators might challenge that minister or deputy minister in terms of the appropriateness of regulations.

What else would happen is that Albertans would be able to sleep better at night. This may be the most powerful hypnotic we could offer to Alberta citizens. They'd be able to go to sleep at night knowing that the regulations that affect them – now, a lot of people may not be affected by the Railway Act. Nonetheless, the principle is that those people who are hugely affected by something in the order – I think we pass, on average, about 730, 750 regulations a year. I don't know how many regulations there are going to be under Bill 23, but I'll bet you, Mr. Chairman, there are going to be another 700 regulations passed in 1998. I just think it's so important that we try to get a handle on those and ensure that there's some all-party oversight. I think it makes for better lawmaking. It certainly makes for better accountability.

I'm hopeful that when the government is ready to accept this amendment, they signal in some fashion so I can make this speech shorter and shorter. I'm hoping to be able to eliminate the Standing Committee on Law and Regulations speech altogether. We could probably save a quarter of the time of a spring session of the Legislative Assembly. So I'll just wait for that signal, Mr. Chairman.

Thank you very much.

[Motion on amendment A2 lost]

8:30

[The clauses of Bill 23 agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Bill 28
Drainage Districts Act

THE CHAIRMAN: Are there any comments, questions, or amendments to be offered with regard to this bill? The hon. Member for Little Bow.

MR. McFARLAND: Mr. Chairman, earlier today I tabled responses that members opposite had brought forward under second reading of Bill 28. In reviewing them in their typewritten form, I hope they responded adequately to the members' questions that quite properly had been brought up.

With that, I'd like to have the question put on Bill 28 in Committee of the Whole.

MS CARLSON: Mr. Chairman, I didn't get the responses, so I'm wondering if the member could send them over to me so we could take a look at them.

THE CHAIRMAN: Are you making a request, hon. member?

MS CARLSON: I'm making a request, if I could see them at this time.

THE CHAIRMAN: Okay. If you have something to say in the meantime, hon. member, the hon. Member for Little Bow has undertaken to have them copied for you.

MR. McFARLAND: I could read the questions and answers to them right now, or I can get copies for her.

THE CHAIRMAN: Okay. Hon. Member for Little Bow, do you want to stand and explain what you're talking about?

MR. McFARLAND: Yes, I'll be happy to do that, and I'll get a copy made right away and send it over.

The questions that had come up, Mr. Chairman. Number 1: do drainage districts require approvals under the water act or other acts to carry out work within their boundaries? Do they consider impact on neighbouring communities? The response was that drainage districts do require approvals under the Water Resources Act for work carried out both within and outside their district. In addition, each of the drainage districts must have the minister's consent and consult with municipalities before conducting work outside their boundaries. The Water Resources Act ensures impacts on neighbouring communities are taken into consideration.

The second question. What is the rationale for not having drainage districts conduct automatic annual audits of their financial statements? Why would boards not want audited statements? The response for the members is: audited statements were not made

mandatory because of the high cost relative to the annual operating budget of each of the districts. Unaudited statements can average $400, whereas audited statements are $1,000 to $1,200 on average. Many districts take in less than $10,000 annually in assessments. Drainage districts must supply – I'll repeat "must supply" – a financial statement to council and to their ratepayers at their annual meeting under section 70(2) of the act, which provides the drainage council the power to request audited statements.

The third question. Although meetings of the board are to be held in public, why do they have a provision for all or part of the meeting to be held in camera at the discretion of the board? Discussion about an employee should be behind closed doors, but the rest of the discussions should be open. The response is: meetings are open to the public unless the board, on reasonable grounds, decides that any part of the meeting should be behind closed doors. This provision is consistent with other legislation and municipal government operations. Any decisions are made public and are subject to scrutiny.

The fourth question. The old act required that all records and documents be open to the public during normal office hours. Why are you now limiting it to the assessment roll? The remainder of the books and records are only available for inspection by the minister or a person they designate. Will the public have to request this information under the freedom of information act? This is information they could previously view by stepping into the drainage district office. The response to that question. The act is being updated to be consistent with all new legislation and government operations being put forward. Drainage boards now have discretion on whether certain private or sensitive information should be released, even though such release was mandatory previously. Controversial information will be handled under the Freedom of Information and Protection of Privacy Act.

The next question. Is there any limit on remuneration paid to the board members? Why doesn't the act require members to be remunerated in accordance with the committee remuneration order? The response. Drainage board remuneration is not derived from provincial government funding. I think that was one that I had pointed out that day before. Ratepayers control the amount that the board is paid through their annual meetings and elections. Much of the work that board members perform is done on a voluntary basis or at a minimal allowance.

The second last one. What piece of legislation looks after drainage in the Peace River area? Could that area fall under the Drainage Districts Act? I believe that came from Spruce Grove-Sturgeon-St. Albert. The answer. The Drainage Districts Act could apply to the Peace River area as well as any other area of the province, providing that landowners petition the minister to form a drainage district. In Peace River the municipality normally handles drainage issues with assistance from Alberta Environmental Protection under the Alberta water management and erosion control program or under the surface water development and control program.

The last question. Were there any objections to the act that were voiced at the public meetings? The response to the act was very supportive. Concerns or comments raised during the public involvement process were addressed or incorporated into the act.

Mr. Chairman, I'll have a couple of copies made up, the same ones that I had tabled previously this afternoon prior to question period.

THE CHAIRMAN: Thank you, hon. member.

The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. Thank you very much for the answers. I think all, with the exception of one, are quite satisfactory to us. I still have a problem with the part about all records and documents not now being open to the public, section 29(6). You stated that what constitutes controversial information will now only be available under FOIP, and I think that constitutes a problem for some of the people in a drainage area. For one thing, there's a fee to access that information. For another thing, sometimes when you get the information, parts of it are whited out. If this is supposed to be an open committee, I think it's very important that the information that is there and is shared there be open and available to the people who come to the public meetings and who come to the meetings anytime and that they should be able to also access that information to take a look at it. No one is saying to take it off site but just to go into the offices and take a look at what's there. I think this is a tightening up of the regulations that is not appropriate in this particular instance, and I'm wondering if you had any specific petitions from people who requested this bill dealing with that specific item.

THE CHAIRMAN: Are you ready for the question?

MR. McFARLAND: If I could, Mr. Chairman, the parts that the hon. member referred to. Under freedom of information you may find part of the information being whited out, but the information that would be there at an annual general meeting are the records of that board's proceedings alone. Let's face it; in the drainage districts that we do have, there's a limited number of people in the drainage district. They do have a tough time even getting people to sit on the board. Basically, the people that are there are there because they're members of the district and they're answering their own questions. So I don't really think it's going to be as onerous as you've indicated, hon. member.

As far as your last question goes, no, there weren't any petitions from any of the groups in there, because again they're members and they're people that are affected and they're actually operating their own business.

8:40

MS CARLSON: Well, Mr. Chairman, we reserve judgment on that particular provision, but with that exception, we support this bill.

[The clauses of Bill 28 agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Bill 33
Environmental Protection and Enhancement Amendment Act, 1998

THE CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Minister of Environmental Protection.

MR. LUND: Thank you, Mr. Chairman. I don't have a lot more to add than I had in second reading. We have no amendments,

and I didn't see any questions. So I would want to move this in committee.

THE CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. As the minister indicated, we are in support of this bill. I would like to go through some of the sections in more detail just so we're on the record in terms of what we understand the interpretation of the various sections to be so that if at any point in the future we need to come back and clarify those, we would have a stated position on them.

Starting with section 2 of the act, the definition of "quarry" here, as we understand it, is amended to include the mining of ammonite shell. This is not a mineral, so it would not have been covered by current legislation. However, the mining of ammonite shell is of increasing interest to Albertans and needs to be regulated. We certainly agree with that.

In section (b) the new definition clarifies that a well refers to wells for both production and injection. The new definitions exclude reference to part 6, which deals with potable water wells, as the regulation of water well drilling is to be transferred to the Water Act. You could go to section 33 to cross-reference that if you wanted to.

Section 4 of the act: section 10 makes provisions for committees to advise the minister. Previously these were interdepartmental committees and the word "interdepartmental" will be omitted in the future so that a committee can also include members from the federal government. We think this is an excellent idea, especially with the harmonization accord under which some environmental matters that were previously federal jurisdiction will in the future be managed by the province. We did wonder in this particular regard if you had any specific committees that you were considering at this time. What specific representatives do you expect from the federal government? So if you could just tidy up that couple of questions, I would appreciate it. We see this as an opportunity for collaboration between the two levels of government, and I think that's fine.

Originally we thought we may have some concerns with section 5, but under the discussions with the minister we understood that the current legislation that we have now discourages self-reporting, as companies are currently withholding information because they figure it will be released to the public. We were told that the regulations will stipulate that anything that concerns environmental damage will still be made public. Actually, I double-checked with a couple of companies on this and got some specific examples from them in terms of where there could be problems, and we would agree with the minister that it looks like this will be an improvement in this regard. We will be monitoring it to see how things go there. We may come back at some further time to discuss that with the minister, probably by letter or perhaps in question period, if things do not go according to plan.

Under point 6 we had some concerns too. To begin with, section 35(f.3), concerning the cabinet's power to make regulations with respect to delegated authorities. Of course we've always had a problem with delegated authorities on this side of the House, and that's primarily because they remove these authorities, really, from the scrutiny of the Legislature. We think that can be a bad thing, and in most cases that's what happens, that we no longer have access to scrutiny of those authorities, whether it be through Public Accounts or through debate here in the House. So there's a number of things that go on that we think would be better done under the public eye and the ability to observe. I'm not undertaking to agree to support delegated authorities from any perspective, but having said that with regard to this section, we see that the new regulations relate to bottle depots and provide the opportunity to appeal the decision about bottle depots and the establishment of them. It seems to be a housekeeping change, and for us this makes sense.

On to point 8 here. We see that this needs some cleaning up to avoid confusion. In the past some members of the public have lost the right to appeal because they had not submitted a letter of objection. They did not realize that their letter of objection was the start of an appeal process. Now it's clear that they are appealing a decision, clearing up any potential problems down the road, and it will probably have an effect forthwith on the amount of irate phone calls or letters the minister gets in his office. So we have no problem with that.

Point 10 here. Section 99 in the act deals with the duty to report the unauthorized release of a substance into the environment. The amendment here adds a new subsection (c) that requires the person reporting the release to tell their supervisor in their workplace. We thought that this seems to be a sensible addition for the most part as it means that the supervisor knows about the problem when the department follows up on a report. However, we had some concern that there may be instances where employees fear reprisals. If so, this requirement could limit whistle-blower activities, so we do have a little bit of a problem with that. In practice this may not make much difference because the person has already reported to the owner of the substance, who in many cases will be the company for which they are working. Potentially we see there may be some problems there in terms of having to report this to a supervisor, but we'll support it in this instance until we find an instance which would indicate that we should do otherwise.

Point 11. Section 105.4 deals with environmental protection orders with respect to odour. The amendment establishes the Lieutenant Governor to make regulations concerning remediation. We don't have any problem with that.

Point 12. Section 119 deals with the definitions in the part of the act dealing with conservation and reclamation of land; for example, after the oil and gas wells are closed down. The amendment extends the definition of operator to include a "working interest participant." Not only sensible but certainly a step in the right direction as we can see it. It would mean more people are liable in the event that there's some kind of problem, and I don't have a problem with that.

Point 13. The separation of the wording in 122(1)(a) is to make this section more enforceable. It makes it clear that conserving is distinct from reclaiming. In future a person cannot claim to have conserved land and try to avoid reclaiming it as well. Absolutely no problem with that. It tightens up the regulation from our perspective, and we support it.

Point 14. It makes sense here in section 123 to require that an application for a reclamation certificate be requested within a specified time. It also seems a good idea to enable the government to refuse a reclamation certificate to someone who owes the government money. This could occur, for example, if an operator refuses to reclaim the land as required and the government carries out the work under an environmental protection order, which is something that we could see the government having to do more of in the future. So to tighten it up at this stage looks like a good idea here to me.

Point 15. Section 127(2)(a) is repealed, and it deals with environmental protection orders that are issued after a reclamation certificate has been given. The environmental protection order

may be given if the director considers that further work is needed to reclaim the land as some time may have elapsed since the certificate was given. It's good that the director can require successors to carry out the work. Once again, the strengthening up of that regulation as we see it, and that's good news. However, it means that someone taking on the land for which a reclamation certificate has been issued must be very careful. The reclamation certificate may not mean, essentially, that the land is okay, although with some of these other amendments that have been brought in, there seems to be a tightening up of being able to go back on original landowners and have them clean up the area. So, in essence, we agree with that too.

8:50

Point 16. Section 161(b) is repealed. It just deals with definitions under waste management. The amendment adds the word "deposit" to the list. We support this. The minister explains this as just making it more encompassing when they encounter problems. I think that's good.

Point 17. The amendment refers to hazardous recyclables here, hazardous goods that can be recycled or reused. At present, activities concerning hazardous recyclables have to be registered or have an approval. Here the director will also be allowed to authorize certain activities with respect to these, and "authorized" replaces reference to an "approval or registration" in this section. I don't see any problem with that.

Point 18. Section 168 deals with hazardous recyclables. This type of activity that might be exempted from the requirement for registration or approval, as explained to us, are things like small deposits of paints and used oils that are transported or stored. So from that perspective, with the small deposits we don't have a problem. Of course, you could get into a discussion about what a small deposit is, but our understanding is that this was small in terms of the amount that a small business may have on-site at any given time. So as long as that's the intent of it, no problem there.

Point 19. The exemption here allows the director to make written authorization for handling waste. As explained to us, it's intended for onetime events; for example, things like the Montreal ice storm. If it's used in that respect, we don't have a problem with that. So as long as that's where we're going, I don't think we have any concerns about that. But our understanding is: onetime or unique in nature.

Point 20. Added on to section 168.1, deemed disposal seems to be a sensible addition here.

Point 21. Section 178 deals with the regulation to allow cabinet to exempt a person from the application of the waste regulations to provide greater flexibility. Someone may be caught by the broad definition of "waste" yet has a product that can be used in some way. The explanation given here is that what might be waste to me in my business could be a recyclable and usable property in somebody else's business. So the opportunity there is to have some flexibility in terms of trading, selling, or buying in that kind of instance. Once again, we think that makes good sense.

On to 22. A provision to amend an enforceable order seems sensible here. The director may discover more people who were the cause of pollution or the problems for which the order was issued, so that just allows the director to add their names on, and I think that's great.

Point 23. Section 204 deals with the recovery of costs incurred if the person to whom an enforcement order is directed fails to carry out the work themselves. The minister can then reclaim the costs incurred for carrying out an enforcement order from the purchaser of the land, who is required to pay the minister and deduct the amount from the price paid to the vendor. This amendment adds the words "without limitation," and that's an improvement. So we certainly agree with that.

Point 24. This addition ensures that the government will have a priority over collecting money owed to it for carrying out an enforcement order or an environmental protection order. Good news again.

Point 25. This addition extends the period during which the civil proceedings can be initiated for damages to the environment. We think this is sensible for some harmful effects may not be evident for several years. We're seeing that occur on occasion. The amendment sets out the conditions that the judge must consider when deciding whether to extend the limitation period, so the system should not be open to abuse. No problem there.

Point 26. The director is given the discretion in whether an endorsement is made at the land titles registry, because not all environmental protection or enforcement orders relate to land. Some orders may relate jointly to property and land on which the property is located, but the land is a minor element and not directly affected. After that was explained, we didn't have a problem with that either.

Point 27. Section 223 is amended, and they're intended to improve methods of collecting an administrative penalty. The minister will in future be able to file a notice of an administrative penalty with the Court of Queen's Bench, and it can be enforced like a court order. This is a more direct process than undertaking an action in debt. So that's good too.

Point 28. More clarification of wording, we think, than anything else.

Point 29. This amendment refers to section 226 and puts a limit on the liability that can be incurred by an executor, receiver, or someone like that who takes over the property covered by an environmental protection order. They'll not be required to pay more than the value of the property's assets. That seems fair to us.

Point 30. It refers to enforcement orders, and again the director can amend an EPO by adding new names. That's good. These just tie into the other bill. I don't have any problem with that.

Points 31 and 33 are similar, tying into the Water Act there.

So from our perspective, Mr. Chairman, that covers the entirety of the bill. I'd like to thank the minister and his office for their prompt co-operation in reviewing this bill with us, and we have no problem supporting it.

THE CHAIRMAN: The hon. Minister of Environmental Protection.

MR. LUND: Just very briefly, Mr. Chairman. Under 10, section 99(1), the hon. member missed the real bullet in this particular one. Under the old section 99(1) it wasn't clear whether a person then having control of the substance had to report it. So we've cleaned that up so that in fact they're one of the persons that must report.

[The clauses of Bill 33 agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

Chairman's Ruling
Amendments

THE CHAIRMAN: Opposed? Carried.

The chair would now like to make a request and then make a ruling. First of all, the request. To all hon. members who are proposing amendments, particularly if they're in the plural, but if they're in the singular, to them as well. If they would keep them at their desk until the appropriate bill has been called and they're ready for handing out, that would be helpful rather than trying to store them here at the table. Sometimes that sort of off-loads the responsibility as to which one you're wanting to go with first and so on.

Secondly, a ruling, regarding amendments again. When amendments are handed out in one sitting but are not moved in that sitting, the mover is responsible to have 90 copies available at the time the amendments are to be moved on any subsequent day so that we don't have that prolonged period while everybody shuffles around and then we have to wait while somebody goes out and duplicates them. So if that's understood, if you're handing out the amendments early, just be aware that if you don't get to move them on that particular day, you'll be responsible for another set when you finally do move them.

Okay. If that's understood, then we'll move to the next item for consideration this evening.

9:00 **Bill 36**
Credit Union Amendment Act, 1998

THE CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to this?

The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Mr. Chairman. I'm pleased to entertain questions arising from the second reading of this bill. There was a good debate; a number of speakers commented on the bill. Overall the comments were, for the most part, very positive. There were a few questions that were posed by members of the opposition, and I will be pleased to answer those at this time and certainly welcome any other questions that members may have.

The Member for Edmonton-Mill Creek commented that he felt that the expanded business powers that are provided for in this bill should be reviewed from time to time. That's probably a fair comment. However, I think that the nature of this bill is such that, because it's very specific to one organization, the Credit Union – and the Credit Union and Alberta Treasury are in constant communication back and forth – that provision really is implicit in the bill. There is communication between the department and officials at Credit Union. That's why on a periodic basis amendment bills such as this do come forward. Although I recognize it as a fair comment, I really don't think it's necessary in this circumstance because of the rather unique relationship between the regulator, CUDG, and Alberta Treasury.

The Member for Edmonton-Calder was questioning the confidentiality provisions in the bill. I can only answer that there are really two sections in the bill that refer to confidentiality. One section removes and changes the freedom of information and privacy provisions within the legislative act and sets up equivalencies within the Credit Union Act so that the Credit Union, in essence, is operating the same as any other financial institution. However, freedom of information still applies to non arm's-length transactions between the government and the Treasury Branches, so there are provisions, if the member will look in the bill. So freedom of information still applies in certain circumstances, but for the most part the credit unions will be subject to the same confidentiality rules that any other financial institution would be required to abide by.

Finally, the Member for Edmonton-Glenora commented on the section that refers to the provision for having a periodic five-year review of the bylaws related to disclosure of executive salaries. I think that the member actually had the wrong impression of this. He was wondering why the government was specifically referring to credit unions with assets in excess of $500 million when in fact that is the current provision. Currently credit unions that have assets in excess of $500 million are required to disclose their salaries. All other credit unions are merely required to put a question to their respective memberships once every five years. The provisions in this bill will actually put the credit unions with $500 million in assets on the same basis as all other credit unions. So rather than identifying and treating the larger credit unions differently, this bill in fact ensures that all credit unions are treated exactly the same way on that provision.

As far as I can tell, that was pretty much most of the questions that were addressed, and I would be pleased to address any other questions that may come forward.

THE CHAIRMAN: The hon. Member for Edmonton-Mill Creek.

MR. ZWOZDESKY: Thank you, Mr. Chairman. I have indicated much of my support for this bill earlier, during second reading. A number of my colleagues have also spoken to it. So I just want to recap a few things here ever so briefly, with the intention that we move sort of speedily through this stage with it, unless there are other members that have questions.

So just to recap some of the points on Bill 36, we are all favourably disposed to the notion that the bill specifically enhances some of the business powers that we discussed during second reading and the fact that there are reductions to some of the regulatory burdens under which credit unions have had to operate up until this time. The fact that the playing field is leveled with the major chartered banks and ATB is also excellent.

I think the hon. member proposing and sponsoring the bill would agree that customers and consumers are always looking for these expanded services, no matter where they shop. In particular, they're looking for issues of service and good quality and good value in return for their patronage. In general, I think the banks have responded by being allowed to offer a wider range of services, and this bill certainly puts the credit unions in line with the chartered banks and ATB in that respect so that we're moving beyond the chequing and depositing and loans and RRSPs and so on into some new areas, which I think are very exciting and will bode well for the credit unions.

Specific to the bill itself, Mr. Chairman, credit unions will also have additional self-regulatory freedoms, which I'm very excited about. I think they need those freedoms if they're going to be competitive with the other banks. Some of those abilities that are provided through this particular bill will help them remain viable and help them remain competitive and will also in the final analysis, I think, increase their profitability lines as well as their equity base and their customer base. Those are some of the loftier goals that all these institutions tend to look for. I was particularly intrigued, for example, somewhere in section 26 or 46 of the bill where mutual funds are addressed – giving the credit unions that ability I think measures up very well.

One other point that I can't recall having mentioned is with respect to sections 116 and 117 of the bill, where the credit unions will now have the ability to streamline their operations and create greater efficiencies with respect to unclaimed balances that are

under $100. I've discussed this with a number of financiers involved in this operation and find that that's just more of a housekeeping thing at this stage, because it becomes expensive for credit unions to maintain contact, as they must, with all of their members. Since the members are given the opportunity to vote at annual meetings, they must be informed of those meetings. There's follow-up; there are brochures that have to be printed, and so on. So that helps tie that up quite a lot.

There was another section that I neglected to mention, and I just wanted to quickly review that. That's with respect to sections 127 and 128, which specify some information with regard to from whom credit unions can or cannot borrow moneys. I note here that Bill 36 would now allow the credit unions to borrow from other than Credit Union Central under certain specifications. I'm just going to ask a simple question on that, because I didn't see within the bill itself what some of those conditions might specifically be, although there is reference to notifying the minister and CUDG when the borrowings exceed 15 percent of assets. I notice that that notification has been deleted, and I assume that something in regulation may address what the new criteria, if you will, would be. I appreciate that CUDG does monitor these transactions under the current scenario with regular reports respecting borrowing and the asset to liability match, but that would be a point that I'd like addressed.

In fact, in general, Mr. Chairman, I'm going to be very interested to see what the accompanying regulations are. I understand they are being worked out. I look forward to that because I'm interested to know a little more about the business powers: how they will be clarified in the regulations in terms of the adherences that are going to be required and how those adherences specifically function to the credit union's advantage, if you will, by leveling that playing field on as even a par as possible with Treasury Branches and the chartered banks.

9:10

I also want to flag a concern which was, I think, initially raised by my colleague from Edmonton-Calder. He may wish to augment my comments when he rises to speak briefly to this as well, hon. member. That refers to the smaller, private operators who are currently handling registry services. I'm given to understand that there was an undertaking, or at least an understanding, at the time that registries were privatized, that government had made comments to the effect that the financial institutions would not be entering the area of registry services. That, of course, propelled a number of smaller operators to establish businesses, to go through the normal overhead that one would in setting up a business and entering into long-term leases with space and so on. I guess I'm flagging that concern, hon. member, to see if in fact there was some record of that type of undertaking. If so, how was that addressed?

The example I would just leave you with is with respect to the privatization of liquor stores. I'm sure we will all remember when that discussion was going on in '93 and '94 and the lobby that was being put forward by some of the very large food store chains who wanted to set up liquor capacities within their shopping centres. I believe the government at the time responded by saying: no, we're going to put a moratorium on that at least for the time being so that the small operators can get their foothold into that business at the local corner store. I think that policy was stuck to. But now I understand there are some discussions going on as a result of some pressures from some of those larger chains to perhaps review when and if those larger chains would be able to provide liquor for sale at their establishments. There were other provisoes, hon. member, with respect to self-standing stores and so on next to the food stores. The scenario was a little bit the same in terms of private registries, and I'm wondering what happened with respect to that point.

My own personal opinion on that matter is that as long as there are equal rules that everyone follows – that, I believe, is what is at the heart of free enterprise. Government sets the climate, sets the general broad parameters, and then no one is advantaged or disadvantaged because everybody is adhering basically to the same set of rules and guidelines. Nonetheless, some of these smaller operators may feel threatened by a larger entity such as credit unions moving into the registries field. So on their behalf I flag that concern.

Once again, from my own personal standpoint, Mr. Chairman, I think that these are all part of the risks and opportunities that accompany a free market, a free enterprise-driven system such as we have. Still, someone has to be the overseer to concerns like this and address them perhaps at the time of application review so that free market forces do in fact become the ultimate determinants of these outcomes rather than government itself.

I also would like to know, once again, when and how the bill will formally be reviewed. I appreciate what the hon. sponsor mentioned just a few minutes ago with respect to the ongoing liaison that takes place. I believe there is in other legislation a specified time period within which circumstances such as those addressed in this bill are reviewed on a fairly timely basis. The reason for it is really to sort of measure the effectiveness of the intentions and the effectiveness of the outcomes without having to penalize anyone in the process. I would suggest that it's simply a matter of prudent review. In fact, I would propose it from the other standpoint, hon. member, and that is, to put it simply: did the bill accomplish all we hoped it would, and is there a need for additional changes and what I would call improvements to be made somewhere at a later date?

I'll conclude with just a few final comments and observations of concerns that I have here in just a couple of minutes. It's to do with the issue of raising capital through shares. Now, I know we spoke about this briefly during the technical briefing, Mr. Chairman, but I think it's critical that the credit unions at some point become unrestricted in their ability to raise additional capital if required and if so desired, because that's really the key to their continuing capacity as credit unions. As they grow to serve the needs of their communities, they will need additional abilities perhaps to issue additional classes of shares, and share capital would be raised in the process of course. So the question is: does the hon. member see an opportunity at some point to allow credit unions this additional ability to issue further classes of shares with the intention being that the credit unions would then be given greater access to more capital and be allowed to expand and enhance their circumstances that lead to greater profitability?

The other issue is with respect to the possibility of credit unions issuing what we could call investment shares to members or to RRSP and RRIF members. Investment shares, which would of course require a disclosure statement, could and would give credit unions yet another avenue to raise new capital, and I believe that new capital is something that we're all interested in having.

The other example comes from the caisse populaire model in Quebec, where there was consideration given to permitting a deduction from an individual's taxable income for investment in credit union shares. I don't know if that particular point was addressed, and I'm not even sure that the credit unions here in Alberta have asked that question of the hon. member. But if it's

possible, hon. member, for you to look into whether or not it's within the government's ability through an amendment to this bill at some stage to investigate the possibility of allowing that kind of taxable income deduction for investments in credit union shares, I'd be interested to know, and I'm sure they might be as well.

[Mr. Herard in the chair]

The final couple of points have to do with the ability of credit unions and the restrictions, I guess, that accompany that ability for them to act as trustees. At the moment they do not have that ability, hon. member. What they do have, as you obviously know, is the ability to own a trust company subsidiary. But should they go that route, then they would incur incredible expense in setting up the subsidiaries, and that may not prove to be the most efficient route to go. Chartered banks appear to have the ability to provide trust services, and they feature it as an integral part of their banking system. So the question is: will you give consideration, again at some point? I don't expect it to be done tonight, on the spot, unless you have an answer to it. Would you be amenable to reviewing the appropriate section that deals with trustee powers with a view to seeing if the credit unions could be given the same abilities in terms of acting as a trustee as the chartered banks have? I think that credit unions would do a good job, quite frankly, in that area and be able to provide additional business services that would likely be a very welcomed service.

9:20

I haven't specifically addressed that point personally with the credit union individuals, but perhaps the hon. member has, and he could comment on it. This expansion to include trust powers would be a good service for them to offer, and by offering it without the requirement for separate regulations over the subsidiaries – I think credit unions could expand their trustee powers to include retirement plans and RRIFs and also to administer trusts for prearranged funeral act funds as well as for employment pensions.

So with those few comments and questions I will take my leave and look forward to some answers either tonight or at some later stage, hon. member. If there is another hon. colleague who wishes a couple of quick minutes on this bill at this stage, then I would welcome those comments as well. Otherwise, we'll be in support of the bill.

Thank you.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Calder.

MR. WHITE: Thank you, Mr. Chairman. I rise to further the points that may have been missed by the Member for Medicine Hat. This deals with the credit unions being invited, as it were, to become registry agents. This is a concern in a memo from an acquaintance in our city here that in fact is a registry agent. His biggest concern is that registry agents are very, very small businesses and, by and large, require another business of a complementary nature in order to maintain a practice at all, whether it be an insurance business or a business that retrieves articles that have not been fully paid for – I can't recall the name of the business right now – bonding agents and things of that nature.

In any event, these businesses were led to believe upon the privatization of the registry business that small business would be the norm. Well, I know that you wouldn't think nor do most people think that the credit unions are in fact big business, but to these people in fact they are a big business. There is currently a restriction in the business, which is governed by the Municipal Affairs department, that restricts each individual agency to having only two registry offices. This person's concern is primarily that if in fact the registry business becomes a credit union business, then the credit unions can use the registry as a loss leader, as it were, and put these other people totally and completely out of business without any difficulty whatever.

You recognize that there is painfully little – I think it's about $4 or something like that for a standard application for a driver's licence, and I think it's about $7 or $8 or something for an application for a full driver's licence, not just a renewal but a full examination and all the rest of it. Registering automobiles is another $4. I mean, this is pretty small potatoes, what these people can make, and it does attract some business to them.

Now, their concern is not only that the credit unions could be in this business and therefore put them out, but also there's a number of things that they were just recently informed of as to the freedom of information and privacy act that they are not to as registry agents pass on to banks, which they have access to with the Alberta on-line business. Well, that gives them some cause for concern.

I have here with me – and I probably should have had some notes made for the hon. member opposite. These are questions and answers when the privatization took place. These were with the interested parties that sat around the table with the government mandarins and decided how things would work out. Here's a question and answer. The question is from those that are sitting at the table, and the answer is obviously the financial officers from the department. "Will these types of companies be able to apply for a licence as we can?" Answer:

> Financial institutions are not going to be allowed to apply. Some applicants may be real estate firms and some insurance firms will be allowed to apply. As with any other applicant here, the successful proponent would have to provide the whole range of services, not just one service.

Well, that would indicate that financial organizations would not be. I mean, it's clear and direct.

Now, I would think that somebody in the registry business would say: well, wait a minute, that was then, and this is now, but certainly you're not going to open this business up to allow that kind of competition. If that in fact is the case, they would like to know that as soon as possible so as to make arrangements to either sell the business or get out of it entirely in other manners.

I suppose the last area of concern revolves around this person's contention that what may have occurred here is that in fact there are two registries currently in place that in fact are credit unions. They're with the Yellowhead Credit Union. They're west of here, in Wabamun and Entwistle, both of which never did have Treasury Branches or never did have any government outlets in order to have the registry work done. What had happened at the point that registries were – these were sort of grandfathered, although there isn't any legislative authority or anything anywhere that says that in fact they can exist. They just simply do. It is this person's contention that currently these particular firms are nonconforming in the general rules as they're set out. This piece of legislation that is before us today appears to rectify that situation, yes, but it is a very small situation in the province and causes a much bigger opening for these financial institutions, potentially to the major detriment of the registry businesses.

I leave that with the member opposite. I thought I'd made that kind of clear the last time I was able to speak to this bill, at second reading, and was kind of hoping for reassurance at this point. I gather that's not going to be the case, and I'm left with a bit of a quandary about what to do with this concern. I was given to understand that we'd have these questions answered, and I don't have the time, unless the member opposite will allow me to have time, to put in an amendment that would be in fact to delete section 26(1) of the current act, I think. Yes, it must be the current act. No, no. That's the purpose of it. I'd have to find the location. Perhaps the member opposite could enlighten me as to his knowledge of this particular area in the bill, and I could then go back to this fellow and say: look; your concerns are unfounded. He's in the business of protecting his own business of course because he's put a lot of time into it.

So with that, Mr. Chairman, I will take my seat and allow the member opposite to rise. Thank you.

9:30

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

MR. RENNER: Thank you, Mr. Chairman. First of all, let me apologize to the Member for Edmonton-Calder. I did have those concerns written down in my comments. I neglected to address those. So I certainly am more than prepared to deal with those questions at this time.

The member is quite right. There are at the present time two credit unions that are offering registry services, and the scenario is as was described by the member. At the time that the registries were privatized, there were no proposals from anyone else in those two areas, so it was more or less a situation where the credit union was the only business in that community that was the least amount interested in it. That is very true that there are now two credit unions that are operating registry offices, and there is no provision within the legislation for them to do so. So this amendment is necessary for those two.

But at the same time, everyone needs to be very clear on the point that this legislation will not see every credit union in the province overnight offering registry services. The legislation only allows credit unions to be added to the list of eligible businesses that may apply for a registry licence when one becomes available.

There are a number of criteria that apply to registry offices. They have to do with the demand in any particular area. There are restrictions on locations of registry offices. So even if a registry office should open up, at that point a credit union may still not be eligible because they don't have a branch in an appropriate location or because there simply is not sufficient demand. So I think we have to be very, very clear here that what this legislation does is allow the two existing credit unions to continue to operate their registry offices, and it will allow in the future other credit unions to apply for a registry licence or a registry location but under very restricted circumstances: only when one becomes available and then only if they meet all the rest of the requirements of any other business that might be applying.

Registry offices operate currently under really a mixture. There are some that are freestanding registry offices that do nothing other than registries, and then there are some that are attached to other businesses. Some of them that are attached to other businesses are quite significant in the size of the other business. I would suspect that there are some registry offices located right now within a business that would be relatively equal in size to the average credit union branch from an employee's point of view, an asset point of view. So I really don't think this is creating an insurmountable problem, and in fact there have been discussions with the registries people and they are aware of this change and I'm led to believe they are in concurrence with it.

The other point that the Member for Edmonton-Calder discussed last time – and I also have that written down here – was again in the area of confidentiality. He was wondering whether there would be provisions in place to ensure that the credit union that had registries operations was not in an unfair advantage with respect to confidentiality. There are very specific rules regarding confidentiality of registries, and those rules would apply. I don't think a credit union would be any more able to take advantage of the registries information that they have than an insurance agent would, for example. There are a number of registry offices right now that are located with insurance agencies, so I really don't see that as being a problem. Obviously, it's up to registries to ensure that their information is confidential and is kept in a confidential manner.

Let me deal very briefly with the questions that were raised by the Member for Edmonton-Mill Woods. He was discussing sections 127 and 128. Sections 127 and 128 are the sections in the bill that allow credit unions to borrow from other than Central. There are really two changes here. One is deleting the reference in section 127 requiring credit unions to borrow from Central. By leaving it out, it then opens up the availability for them. Section 128, which the member referred to, talks about the aggregate of the credit union's net borrowings and the requirement for CUDGC to monitor. The deletion of section 128 is really consequential to the addition of liquidity requirements in section 105 in the bill. If the member will refer to section 105 – it's on page 10 of the bill – it allows Central to establish the liquidity requirements. So it's already covered in another section in the bill, and the member should be aware of that.

The other discussion that Edmonton-Mill Woods had was with respect to trust services. I think it should be pointed out that although chartered banks appear to operate as offering the trust services within one institution, from a legal technicality requirement they, too, have incorporated separate subsidiaries, separate companies to operate the trust divisions. So when you see something like TD Bank and TD Trust, they are legally operated as separate entities, although from a marketing perspective they combine them and work them together, and credit unions would be able to do the same thing.

The reason why the other business opportunities that are referred to in this bill are required to be under subsidiary companies is really to protect the investors in the credit union, to put a little bit of a fence around those subsidiary operations in case they're not as successful as one might have expected, and it doesn't put at risk the rest of the capital of the credit union when they're separately incorporated.

So with that, Mr. Chairman, I believe I've dealt with most of the questions. If any other questions come up, I'll be reviewing the *Hansard* and I'll certainly respond in writing to any of the questions that have not already been answered.

I would at this point call the question on this bill.

[The clauses of Bill 36 agreed to]

[Title and preamble agreed to]

THE ACTING CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE ACTING CHAIRMAN: Opposed? Carried.

Bill 24
Medical Profession Amendment Act, 1998

MR. JONSON: Mr. Chairman, I would like to speak again to Bill 24 in committee, two preliminary points. First of all, as members of the Assembly will recall, we did provide a report to all members of the Assembly in terms of issues and questions raised during the course of the second reading debate.

The second general comment I would like to make, Mr. Chairman, is that we acknowledge, I think on both sides of the House, that there is some concern by people, probably within the medical profession. I suppose there always are those who are dissenters when you're bringing in what amounts to a review or an evaluation policy. But overall I think this is a very progressive step on the part of the medical profession, one, as I said earlier in debate, that deals with I think something that should be the mark of all professions, and that is the having of an internal evaluation assessment procedure. That is one of the major thrusts of Bill 24.

9:40

Acknowledging that there is an overall concern about the application of the PAR program, Mr. Chairman, I've requested that an amendment be made to section 5. I would like to speak to the different parts of the amendment. First of all – and I would give full credit to the Member for Calgary-Buffalo for bringing this concept forward – it might be interpreted or be an area of concern or perhaps, if I could use a stronger term, of suspicion in section 33.3(1) that the use of the phrase "at least," when the reference is being made to an assessment every five years, might be open to the interpretation that perhaps the assessments might be done more frequently than that without sufficient reason. I said that I would give credit to the Member for Calgary-Buffalo for bringing this forward. We would propose, though, in this amendment that we strike out the phrase "at least" so that the proposed section would basically read that an assessment would be done every five years.

The second part to the amendment, (b), is one which comes forward because of concerns from both sides of the House, both from the opposition and from government members, that again, because there is some concern about the possible misuse of the application of this program, there should be a review undertaken of the program. Therefore, under part (b) it is put forward that

> (1) Within 3 years after the coming into force of this section, the council [of the college] must conduct a review of the program established by the Performance Committee under this Part.
> (2) The council must, in a form and manner that the council considers appropriate, consult with the public as part of the review.
> (3) After the review, the council must make a report of its findings and forward the report to the Minister.
> (4) The Minister must make the report available to the public in a form and manner satisfactory to the Minister.

[Mr. Tannas in the chair]

The whole purpose here, Mr. Chairman, is not that the minister wants to take on additional responsibilities; the overall purpose and goal here is to ensure that there would be a review of the program. I think that if it is going successfully, as I fully expect, that particular review would be of credit and importance and note to the population of the province. If by some possibility there are reasons for change, reasons for improvement, it would be brought out in the course of that review.

So, Mr. Chairman, I move these amendments, recommend them to the Assembly. As I said, they have been arrived at through collaborative work, and I give credit to the other side of the House in this regard.

THE CHAIRMAN: These amendments will be known as amendment A2.

Hon. Member for Calgary-Buffalo, did I see you rise?

MR. DICKSON: Mr. Chairman, thanks very much. I was just going to make the observation that, firstly, I appreciate the courtesy of the Minister of Health, who has in fact delayed further committee stage deliberation of the bill to be able to allow further assessment of the amendments. I appreciate that and say that I appreciate the very genuine effort he's taken to try and address the concerns of those people who are afraid that this initiative by the College of Physicians and Surgeons might in some fashion be misused.

Now, I just flag one thing. As the minister has been getting through his legislative process, there have been some further discussions that I've had with the college. Also, I had undertaken to a group that was concerned with the need for a three-year review that I would put an amendment forward. So I expect that government members will likely be disposed to support these amendments. I don't want people to be surprised if I put another amendment forward subsequently, because I had committed to do that. I think we're trying to ensure, in the one case, that the review of physicians is not abused, the notion that it ought not to occur more than every five years. As I've explained to the minister, I did receive some advice from the college that they would prefer to have a bit of an escape hatch. So I'm just raising that, because when we finish dealing with these amendments, I have two other amendments.

Well, I see I've created some difficulty for Parliamentary Counsel, but I simply wanted to be up front and be clear that I appreciate what the minister has done here. Also, there's an obligation I feel I have to address further in other amendments.

With that, I'll take my seat and look forward to the vote on the minister's amendments. Thank you.

THE CHAIRMAN: The hon. Member for Edmonton-Centre on amendment A2.

MS BLAKEMAN: Yes. Thank you. I'm very pleased to be able to stand and speak in support of these amendments, both things that I was looking for. I think it does solve a lot of the suspicion that was being put forward, certainly from the groups and the physicians who were communicating with me, over the concern that the provisions or the time that was allowed could be abused in frequently putting a physician or particularly a practitioner of alternative medicine through these reviews on a regular basis. So I'm very pleased to see the first part of that amendment.

The second part. I think it's important any time we're bringing forward new legislation – and this is relatively new legislation – or a new idea in legislation that there be a review process that's built into it so that we can have an evaluation process, a review process, and some thought about whether the legislation we've indeed passed is working for us. If it isn't, then I think some-

times we should look at getting rid of it. If it is working for us or if it could use a bit of tinkering or a bit of improvement, good. Then we were on the right track.

I must say I'm pleased to see both of these amendments. I was very pleased to see the collaborative effort between the Minister of Health and the Member for Calgary-Buffalo. I think we're going to get better legislation as a result of this. I am looking forward to the additional amendments that are coming forward.

Perhaps I missed the discussion on this, but I notice that at the end of the amendment it's talking about the minister making "the report available to the public in a form and manner satisfactory to the Minister." I'm wondering why that wasn't done simply in the manner of having it tabled in the Legislature, which is one way of making it public. Perhaps the minister could enlighten me as to what he was envisioning as being a form and manner satisfactory to the minister. I'm perhaps not as cognizant of what this sort of wording would lead us to. I'm wondering what it means and why it wasn't just tabled in the Legislature or published and distributed through the college and the AMA and other public outlets. So perhaps he could answer that question for me.

I also note that there is consultation with the public as part of the three-year review, and again congratulations. I know that probably won't be easy as the minister tries to work in as much consultation with the public in a meaningful way that is acceptable to the public. I mean, truly I think most of us know that to do really good public consultation, you're into a long, time-consuming, expensive process. I believe it's worth it in the end run. I am pleased to see that it is consultation with the public that is a part of this review rather than it just being internal between the physicians and the college and the AMA.

So after those few comments, I'll be pleased to take my seat and perhaps hear the minister respond to my questions.

9:50

MR. JONSON: Mr. Chairman, with respect to the part of the amendment which refers to the matter of the report to the minister, there are I think two or three basic reasons. First of all, the minister of the day is responsible for the implementation and monitoring and overall surveillance of the enactment of any legislation. That's a general statement. Secondly, in this whole area that we are dealing with – the matter of confidentiality of any information, any materials that might possibly inadvertently relate back to a particular individual or a matter of medical practice which pertains to a particular individual – the privacy of that has to be protected. Any kind of report has to be operating within the parameters of our legislation in this House. So that is a check or a responsibility that would be there for the minister with respect to any report.

I think overall, if I might say so, Mr. Chairman, sometimes it is important that in this case the minister of the day makes sure that the report is in a form and language which is clear and understandable to the public of this province. That's not in any way putting down the public of this province, because anything we do should be clear and understandable. So those are a couple of the reasons for that particular proviso.

[Motion on amendment A2 carried]

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

MR. DICKSON: Thanks very much, Mr. Chairman. As I'd suggested before, in my consultation with the groups concerned about it, I'd undertaken to put forward one additional amendment. It's been distributed to members. I've discussed this with the minister, and he was, as usual, very forthright in saying that he had some difficulty with it. He's already put forward his response, which was a three-year review by the council of the college.

There are, however, some alternative medicine practitioners who may subscribe to the view of Max Planck, the physicist, who said in 1936: a new scientific truth does not triumph by convincing its opponents and making them see the light but rather because its opponents eventually die out and a new generation grows up that is familiar with it. Now, I know that no one would suggest that the treatment of alternative medicine requires those who don't fully appreciate the virtues of same to wait for another generation, but I am sort of mindful of that when I see the kind of suspicion and concern, apprehension that exists on the part of alternative medicine people. So for that reason there will be a concern. Some people will have a concern that the College of Physicians and Surgeons lacks the kind of objectivity they would like to see.

It's for that reason I'm putting forward the amendment and moving the amendment, Mr. Chairman. This is the one that deals with "within 3 years" there would be "a special committee established by the Legislative Assembly" that would do a comprehensive review of the act and "submit to the Legislative Assembly, within one year after beginning the review, a report that includes any amendments recommended by the committee." Now, members may feel that the minister's amendment, moved and just passed a few minutes ago, may cover the bases, but I want to make the point that there are some concerned Albertans, concerned with respect to this bill, who don't think that a review by the college council would be sufficient. That's the reason I'm putting this amendment forward.

So those are the points, the comments I wanted to make with respect to that, Mr. Chairman. Thank you.

THE CHAIRMAN: Okay. The amendment that deals with section 10 as proposed by the hon. Member for Calgary-Buffalo will be called amendment A3. Any further comments on amendment A3?

[Motion on amendment A3 lost]

MR. DICKSON: Gee, we heard more life from the government caucus than I thought possible at 10 p.m., Mr. Chairman. They're still in good voice.

The next amendment – and I take it this would be A4 – that I'm moving I'll just speak to very briefly. We've talked about, in the initial act, that a review would be done at least once every five years. There was lots of concern with that. The minister has gone to a review which would happen once every five years, but the College of Physicians and Surgeons has indicated to me most recently that they would prefer to have this provision: in those cases where there was just cause to do so, it would be possible a review could be done more than once every five years. To be fair to the minister, I understand that he didn't have sufficient time to consult with his caucus and go through his caucus process with this amendment, but it does reflect my discussion with the College of Physicians and Surgeons, and I felt duty bound to ensure that this was also put on the floor at this stage.

I think it's fairly self-evident, Mr. Chairman. I think that from the college's perspective, while there's certainly no intention to harass or bully or intimidate alternative medicine practitioners, it's been urged to me that there may be some circumstances where there's good reason why somebody should be subjected to a

review more than once every five years. That's the reason for this amendment.

Members will be happy to hear that this is the last of the amendments I plan on putting forward. Thank you very much, Mr. Chairman.

[Motion on amendment A4 lost]

[The clauses of Bill 24 as amended agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Bill 27
Electric Utilities Amendment Act, 1998

THE CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thanks, Mr. Chairman. I appreciate the opportunity to address a few comments to Bill 27, the deregulation of the power industry. There's been a lot said and a lot written about this particular bill in the last few weeks. I'd like to address my comments to some of the questions that have been raised and look at some of the underlying reasons that seem to have brought the government to this particular form of this particular legislation.

10:00

There seems to of course be in government circles the very strong belief that the free market will lower costs. I'd like to talk about that a little later, but there is this underlying belief that the free market economy will result in lower electrical costs, power costs for Albertans. That's countered by a belief that the regulated system, the system that we have, is inefficient, that not only is it inefficient because it's regulated and controlled by government and by regulation, but it's also counter to innovation, that when you have a regulated industry, somehow or other that thwarts innovation, and that the kinds of breakthroughs, the kinds of efficiencies that the industry should be working toward are not achieved as long as it's regulated and governed by an elected government.

The other driving force behind it or one of the arguments we hear most often is that other countries are doing this. The examples of Britain, New Zealand, and Norway are brought forward as samples of other countries that have moved towards deregulation, supposedly with benefits to both the consumer and the producer. So we have these notions that seem to underlie the government's move towards deregulation of the power industry.

Sitting behind that is the notion of who will gain from the deregulation, and we've heard from the minister, who is very emphatic and believes that consumers, ordinary Albertans are going to be the ultimate benefactors of this move to deregulate. Certainly we've heard that at some point the power companies – Alberta Power, TransAlta – being freed from regulation will be benefactors of that freedom. The argument is made that change in a regulated atmosphere becomes very slow and that these companies will be able to more effectively respond to the market and be more aggressive when they don't have those kinds of constraints. Certainly international companies – American Electric Power from Ohio already has a presence in the province – have been interested in deregulated markets wherever those markets have appeared, both here and in Europe. So the people who will gain from deregulation seem to be for the large part the large power companies, but certainly the argument I've heard the minister make most frequently is that consumers will be the ultimate benefactors.

How has deregulation actually worked elsewhere in those countries where it's been instituted? In New England the consumer rates fell by 20 percent, so the effect of deregulation there was very, very positive for consumers. In the U.S. the consumer groups who were very favourable to deregulation initially have concluded that really the big users of power are the biggest benefactors, and large users of power end up getting the best rates. So in terms of how it's worked elsewhere, it seems to be their conclusion that the large users of energy are the ultimate benefactors.

One of the other concerns in terms of how deregulation has worked elsewhere is that the power companies ultimately are interested in selling power and making a profit, and that works against any interest in terms of conservation. So a concern, in terms of deregulation elsewhere, about the environment, about conservation of energy, and that companies find themselves in conflict of interest, wanting to make sure that their shareholders get the best return on their investment and also feeling some responsibility to the environment.

A concern that the increasing use of gas turbines will actually raise methane emissions, some of the most detrimental omissions that can be introduced into the environment.

In terms of a sketch of how it's worked elsewhere, in some places consumers have benefited, others have raised concerns about the behaviour of the large power companies, and everywhere is the concern that the move to the use of gas might be detrimental to the environment.

What have consumers said about deregulation? Ordinary Albertans haven't had their say. I think that has been the thrust of a coupon campaign by one of the newspapers in Calgary, where they're asking for a delay of the bill for ordinary Albertans to have some input, to have some say in terms of this move to deregulation.

One of the major concerns. The minister has been very forthright in the House and indicated that there is no guarantee that prices will either remain stable or that prices will go down. He has been frank about those comments, indicating that that kind of future gazing is just too risky. There are too many factors that are not within the control of the government or control of the power companies that in the long term would allow them to make any guarantee or to make any promises about future rates and where they might go.

We heard some comments from the Consumers' Association of Canada, but really the major concern is that rank and file Albertans have been somehow or other left out of the loop in the making of such an extremely important decision in their lives and that there has to be a delay and some room made for them to have some input.

Will deregulation improve things? Well, the demand has outstripped supply, so this may be one way of encouraging power companies to make the needed capital investment to assure the future supply that we need. I think the minister has made some comments about the need for that to happen rather quickly in the province. Again, it goes back to the government's basic belief –

and it is a belief – that the free market will be able to do the job and do a better job than the regulated economy that now governs power in the province.

One of the other questions that was raised is: are consumers who paid for the existing plants being treated fairly in all of this and in the proposals that are before us? We've heard yes and we've heard no to that. Certainly the city of Calgary has been very vocal in saying, no, consumers are not going to be paid fairly for that investment. We heard that initially from the city of Edmonton, and then that was retracted and changed by the mayor, who says, yes, they will be treated fairly.

There's some question about the life of the plants, with a number of letters, a number of organizations concerned about the predictions about the life of those utilities and how fairly the consumer is being treated in this legislation. Some have indicated that consumers could lose several hundred million dollars should this legislation be enacted. So I think we have agreed that if there's some way possible for this bill to be delayed, that's the action that should occur at this time.

So with those brief comments about Bill 27, Mr. Chairman, I'd like to move that when the committee rises, it report progress on this bill.

10:10

THE CHAIRMAN: The hon. Member for Edmonton-Mill Woods has moved that we report progress on this bill when the committee rises and reports. All those in support of this motion, please say aye.

HON. MEMBERS: Aye.

THE CHAIRMAN: Those opposed, please say no. Carried.

The hon. Government House Leader.

MRS. BLACK: Mr. Chairman, I move that the committee now rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports the following: Bills Pr. 1, Pr. 4, 23, 28, 33, 36. The committee reports the following with some amendments: Bills Pr. 2 and 24. The committee reports progress on the following: Bill 27. 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 DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

[At 10:15 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]