

Legislative Assembly of Alberta

Title: **Monday, May 10, 1999** 1:30 p.m.

Date: 99/05/10
[The Speaker in the chair]

head: Prayers

THE SPEAKER: Good afternoon. Let us pray.

Lord, forgive our excessive busyness as we seek to do our daily chores.

Grant us an awareness of these moments of life that we might take on a renewed sense of commitment as we seek to serve all Albertans. Amen.

Please be seated.

head: Presenting Petitions

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

MR. BONNER: Thank you very much, Mr. Speaker. With your permission I beg leave to present a petition on behalf on 112 Albertans urging

the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

Thank you.

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

MR. GIBBONS: Thank you, Mr. Speaker. I would like to put in a petition of 111 names from Edmonton, St. Albert, Fort Saskatchewan, Legal, Morinville, Bon Accord, Sherwood Park, and Bruderheim. This is

to urge the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

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

MS BARRETT: Thanks, Mr. Speaker. I have two sets of petitions on the same subject sponsored by Save Our Schools asking the government to provide more money for education in Alberta. Forty-four of these signatories are from Edmonton, and 46 are from the Devon area.

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

MRS. SLOAN: Thank you, Mr. Speaker. I beg leave to introduce today another 102 names signed on the SOS petition urging

the Legislative Assembly to urge the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

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

DR. MASSEY: Thank you, Mr. Speaker. With permission I would present a petition signed by 184 citizens of Wainwright, Denwood, Chauvin, Vermilion, and Czar urging

the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

Another SOS petition.

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

MRS. MacBETH: Thank you, Mr. Speaker. I'm pleased to table a petition as well from the SOS parents to call for increased support for public and separate schools in this province to cover "contract settlements, curriculum changes, technology, and aging schools." On this petition are names of 114 residents of the Edmonton area.

Mr. Speaker, we've been giving these petitions at each day of this spring session, and I'm very pleased to announce that the total names to May 10, today, is 11,042.

MR. DICKSON: Mr. Speaker, that number continues to grow. I have two identical petitions, one signed by 45 residents in the Eckville-Innisfail area and the other signed by 56 Calgary-North West. In each case these Albertans are petitioning the

Assembly to urge the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

Thank you.

head: Tabling Returns and Reports

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

DR. OBERG: Thank you very much, Mr. Speaker. I rise today to table the answers to written questions 2 and 3 and motions for returns 11, 12, 13, and 18.

I also rise today, Mr. Speaker, to table five copies of the national children's agenda discussion paper. This was released Friday in Saskatoon.

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

MR. LOUGHEED: Thank you, Mr. Speaker. I'm pleased to table five copies of the February 1999 newsletter of the Premier's Council on the Status of Persons with Disabilities. It's called *Status Report*. This issue includes the council's position regarding the proposed changes with respect to the AISH program. In January this was forwarded to the minister, the Premier, and disability organizations. Copies can be obtained by phoning 422-1095.

Thank you.

THE SPEAKER: The hon. Member for Wetaskiwin-Camrose.

MR. JOHNSON: Thank you, Mr. Speaker. In response to a request last week by the hon. Member for Edmonton-Meadowlark I would like to table six copies of letters of response to Bill 208, the Prevention of Youth Tobacco Use Act, from the following stakeholders: the Edmonton Police Service, the Calgary Police Service, the Camrose city police, the Alberta School Boards Association, Battle River school regional division, Wetaskiwin regional public schools, Lakeland regional health authority, and East Central regional health authority.

THE SPEAKER: The hon. Minister of Justice and Attorney General.

MR. HAVELOCK: Thank you, Mr. Speaker. I'm pleased to table this afternoon five copies of my letter to the MLA for Edmonton-Centre dated May 10, 1999, in response to written questions 25, 26, 27, 29, 48, 49, 50, and 67.

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

MRS. SLOAN: Thank you, Mr. Speaker. I'm pleased today to table five copies of a national study released over the weekend citing that children in families with an income below \$30,000 are at a much greater risk than others of poor health and are more likely to have difficulty in the classroom.

Thank you.

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

MS CARLSON: Thank you, Mr. Speaker. Today I have three tablings. The first is a series of letters from four Albertans to the Premier urging him to withdraw Bill 15, the Natural Heritage Act.

The second is a letter to the Premier from Donna Clandfield, who is strongly opposed to the Natural Heritage Act and urges the Premier to replace the current Natural Heritage Act with legislation that will actually protect our natural heritage.

The last tabling is a letter to the Premier from Margaret Marean, who is astonished at the contents of the proposed heritage act, Bill 15, and trusts that the Premier will see to it that this very flawed piece of legislation finds its way into the recycling bin of history.

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

MR. SAPERS: Thank you, Mr. Speaker. With your permission I'd like to table six copies of each of seven additional amendments to Bill 35. This brings the total number of proposed amendments to 47. These particular amendments would ensure that all fees and charges charged by universities and technical institutes would be protected in Bill 35 the way all of the other user fees and charges are.

head: Introduction of Guests

MR. TANNAS: Mr. Speaker, I'd like to introduce to you and through you today three special students who are seated in the members' gallery this afternoon: Aoi Kubotani, Kana Furudate, and Miho Onodera, who have traveled from Tokoro, Japan, on a one-year exchange program with their twin town of Barrhead in your constituency, Mr. Speaker. They are accompanied today by Mr. Richard Ward and Mr. Bill Lee. I'd ask all of them to rise and receive the warm traditional welcome of the Assembly.

THE SPEAKER: The hon. Minister of Environmental Protection.

MR. LUND: Thank you, Mr. Speaker. I today have the honour and pleasure of two introductions. First I would like to present to you Miss Kayla Storkson. Kayla won a very prestigious award. She won the Canadian Automobile Association Governor General's lifesaving medal for 1998. Kayla was on patrol, a young girl passed behind her reading a book, and Kayla jumped out and grabbed her from an on-coming vehicle. I'm not sure which gallery Kayla is in but, whichever, if you could stand and receive the traditional warm welcome of the Assembly.

1:40

Also, Mr. Speaker, she brought along with her some 108 members of the grades 5 and 6 class from the Bentley school. They're accompanied today by teachers Mr. MacAskill, Mr. Leidl, Mrs. Griffin, and Mrs. Scarlett and also by parents John and Nancy Ebling. They're seated in both galleries, so I would ask them to please rise and receive the traditional warm welcome of the Assembly.

THE SPEAKER: The hon. Leader of the Official Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. We have living proof in our public gallery today that the example of a few can influence many. Seated in our gallery are three women who have been instrumental in the Save Our Schools petition, which of course today reaches over the 11,000 mark. Seated in the gallery are Cathy Staring Parrish, Cynthia Joines, and Donna White, who have provided true leadership in our province on public education. They certainly deserve our thanks for co-ordinating the petition, and through them thanks to the many, many Albertans who have signed the petition to bring attention to the needs of public education in our province. I would ask the three women to please stand and receive a very warm welcome from our Legislature.

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

MR. CAO: Thank you, Mr. Speaker. I would like to introduce to you and through you to the members of the Assembly my summer help in the Calgary-Fort constituency office. Carla White just completed her final year exam at U of C in political science, and I plan to let her practice her studies in the constituency this summer. I would like to ask her to rise and receive the traditional warm welcome from the Assembly.

THE SPEAKER: The hon. Member for Leduc.

MR. Klapstein: Thank you, Mr. Speaker. It gives me great pleasure today to introduce to you and through you to members of this Assembly three guests who are seated in the members' gallery and are here representing the Meals on Wheels group. Meals on Wheels is a volunteer-based community service and has since 1964 been providing a service to those individuals who are unable for various reasons to prepare adequate meals for themselves. These ladies are here today in recognition of Meals on Wheels week. They are Maureen Newns, who is president of the Alberta Association of Meals on Wheels Services, and two of her colleagues, Lorraine Nicolas from Devon and Tina Weyenberg from Leduc. I would ask these three guests to rise and receive the warm welcome of this Assembly.

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

MS KRYCZKA: Thank you, Mr. Speaker. I am very pleased to introduce to you and through you this afternoon Casian Cosmescu, known as Cas. Cas is a STEP student in my constituency office in Calgary-West this summer. He lives in the constituency, and he's presently a student at the University of Calgary. Would Cas please rise and receive the traditional warm welcome of this Assembly.

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

MS BARRETT: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and members of the Assembly today three special guests who are seated in the public gallery. They are all STEP students. Jason Harley is the STEP student for my constituency office in Edmonton-Highlands, Elena Demes is in the Strathcona office, and Kyla Sentes is our STEP student at the Legislature. One little note before I ask them to rise, and that is that Kyla is the daughter of Ray, who many years ago, before I came to work for Grant Notley, also worked for Grant Notley as a researcher in the very office that I now have at the Legislature. I'd ask these three special guests to rise now and receive the warm welcome of the Assembly.

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

MRS. O'NEILL: Thank you, Mr. Speaker. It's a pleasure to introduce to you and through you to members of this Assembly a very good friend and resident of Edmonton, an extraordinary volunteer, and certainly a fine business woman. Peggy Louis is seated in the members' gallery, and I would ask her to please rise and receive the warm welcome of this Assembly.

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

MR. SAPERS: Thanks, Mr. Speaker. It's a pleasure for me today to introduce to you and to all members of the Assembly Ed and Leona Antoniuk, who are here visiting the Assembly today because, believe it or not, they won lunch on me at the cafeteria in the Legislature as part of a fund-raising celebration for the COMPRU unit at Misericordia hospital. They're happy to know the extent to which we participate in free debate in this Assembly, and this is their first visit to the Chamber even though they are lifelong residents of Edmonton. Leona is a retired librarian from Lago Lindo elementary school, and Ed is an engineer with EPCOR. I'm very pleased that they are able to join with us all today. I'd ask them to rise please and be welcomed by the Chamber.

THE SPEAKER: And we're all wondering what the tip was.

head: Oral Question Period

THE SPEAKER: First Official Opposition main question. The hon. Leader of the Official Opposition.

Education Funding

MRS. MacBETH: Thanks, Mr. Speaker. The Official Opposition continues to ask the government questions about individual schools because the government continues to berate the examples as isolated when, in fact, the accumulation of examples is very significant. In most cases the students, parents, and teachers who write or sign petitions do so because they have given up on government, which is constantly referring them back to a process which has already proved futile for their efforts. My questions are to the Minister of Education. Given that the Christ the Redeemer school district in the Brooks area has been twice denied a new K to 12 school and the Holy Family Academy in Brooks will be over 100 percent capacity in terms of students next year, just where in Brooks does the minister expect Catholic students to attend school?

MR. MAR: Mr. Speaker, I did entertain a question on Thursday last in this Assembly not from the leader of the opposition but from the education critic from Edmonton-Mill Woods. I indicated at that time that it was not particularly constructive for the hon. member to put forward an example of a school where half the story is told, leaving people with the impression that there was a problem with the school.

Let me cite back to him his question as to why this is not a fruitful exercise. On Thursday last, May 6, the member opposite, the hon. Member for Edmonton-Mill Woods, said this:

My questions are to the Minister of Education on behalf of the Grimshaw high school parent council. Can the minister advise them as to when their school will no longer have to fund-raise to ensure that their science classroom and the resources are at least comparable to urban high schools?

Well, Mr. Speaker, I contacted through my office the school council at Grimshaw. They have chosen not to fund-raise. The Grimshaw school council does not fund-raise money. So obviously this hon.

member was not asking the question on behalf of the school council, for starters.

I did look into the issue of whether or not there was money being requested for the purchase of science equipment, as the hon. member put it. What I found out, Mr. Speaker, is that there is an effort to try and purchase computer simulation software. That software is not part of the Alberta curriculum. So I wouldn't want people to be left with the impression through this pattern of questions that there is a problem in this case with Grimshaw.

With respect to Christ the Redeemer, as I've indicated on numerous occasions, there are priorities that are put in place for capital projects in the province of Alberta. I have indicated very up front that the school buildings branch places the first priority on health and safety issues. I did indicate, Mr. Speaker, that every single request by school boards for health and safety projects is dealt with on an annual basis.

1:50

Secondly, Mr. Speaker, with respect to essential need for new space in those cases where there is a high utilization rate – and that may be the case in this particular school division – we will deal with essential need for new space. Every request by school boards in this province for essential need for new space was satisfied this year.

So, Mr. Speaker, I again advise members of this Assembly not to be misled by this type of questioning that leaves people with the wrong impression as to what the true state of facts is.

MRS. MacBETH: Getting a little touchy, Mr. Speaker.

Given that the Exshaw elementary and junior high school prepared a very detailed architectural, mechanical, and electrical needs report three years ago – these are in fact the health and safety issues that the minister just referred to – when is this government going to respond to inadequate health and building codes identified in this school?

MR. MAR: Mr. Speaker, the response to the situation in Exshaw is the same as I've given in this House before, and that is that there is a process. The people from that school division are doing a good job of advocating on behalf of the students and the parents of students that go to that particular school. The hon. member knows that you do not want the Minister of Education making these decisions, because that would lend itself to a political process that is not objective.

Accordingly, Mr. Speaker, that is the reason why we have a school buildings branch that evaluates these based on criteria that members of government work on. The criteria are our responsibility, but the decisions are made strictly apart from the political process, within an arm's-length process that is conducted by the school buildings branch, and they do a very fine job.

MRS. MacBETH: Well, Mr. Speaker, let's move to another one. What message does the minister have for the Calgary Jennie Elliott school council, for parents and staff who are considering volunteering for janitorial services in order to avoid further deterioration of their school?

MR. MAR: Mr. Speaker, I don't know what the particular circumstances are at Jennie Elliott school. There are 1,600 schools in this province, and I can't possibly know what the circumstances are at each of these schools.

However, I will say this, Mr. Speaker. What I do know is that there is a pattern being conducted by the Liberal opposition that suggests half the facts and virtually none of the truth. Accordingly, I will take into account the comments made by the Leader of the

Opposition here about Jennie Elliott school, as I did with the Grimshaw school and found that there was no truth in what the assertion was by the hon. Member for Edmonton-Mill Woods. I will look into the Jennie Elliott school to determine if there's any merit in this particular issue, but I will say this also: if the Liberals had any desire to be constructive, they would bring these matters forward in a constructive way and not in this particular method.

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

Children at Risk

MRS. MacBETH: Thank you, Mr. Speaker. My next question is also to the Minister of Education and chair of the Task Force on Children at Risk. We have the Task Force on Children at Risk, announced on the weekend by the Premier; the children's initiative, which was announced by government in November of '98; the regional children's authorities, which were promised in about 1995; and the national children's agenda, which was announced this past week. My question is: how will government integrate the mandates of these several initiatives in order to ensure that children receive the services they need now?

MR. MAR: Mr. Speaker, as poor as the first question was, I believe this is a good question. I think this is a constructive question by the Leader of the Opposition, because I think it's important that we do recognize that there are many things that many levels of government and regional health authorities and school boards and departments of government are trying to do for the benefit of children at risk. We applaud all of those efforts at many different levels in many different departments.

What we have to do, Mr. Speaker, is take stock of what we currently have in our inventory of services, whether those services have come from the Department of Education or Health or Social Services or Community Development. So in order to determine how we will co-ordinate these efforts, we will work as closely as possible with the different levels of government and nongovernment organizations in an effort to co-ordinate exactly that. Ultimately we're all trying to do the same thing. We're trying to deal with children at risk.

MRS. MacBETH: Thank you, Mr. Speaker. Would the minister agree to take stock in his own schools and agree to meet with students and teachers at Queen Elizabeth school in Calgary, who are losing a special-needs teacher instrumental in guiding a distressed student at risk as a result of continual harassment from other students in the school?

MR. MAR: Mr. Speaker, I've never objected to the invitations that many people make of me to attend their schools, and I try and accept as many of those invitations as possible. I think, though, that to try and deal with an individual case like that is very difficult. I think most people would understand why I try and develop a priority for the types of meetings where I think my efforts can have the most benefit.

Mr. Speaker, I'm not aware of this particular circumstance at Queen Elizabeth school. It strikes me from the brief description given by the Leader of the Opposition that it may be an appropriate decision or issue to be dealt with by a local school trustee or the school board or perhaps the school chair, but I have to say that while I share the concern for that particular circumstance raised by the Leader of the Opposition, it may not be an appropriate thing for me

to intervene in. That is the reason why we elect trustees, and that is the job that they are charged with doing, and it's a good job that they do.

MRS. MacBETH: Again he might want to look at his own correspondence, Mr. Speaker.

My third question is to the Minister of Family and Social Services. Given that one-third of the regional children's authorities are not operational to date, behind this minister's own start date, what assurances can this minister give that the government's pattern of delay and inaction when it comes to children won't be repeated?

DR. OBERG: Thank you very much, Mr. Speaker, and thank you very much for that question. Roughly a third, or seven of 18, authorities are not up and running yet. We asked them to complete business plans. We asked them to be completely comfortable in taking it over, and not all of them were able to make the April 1 deadline. We make no apologies. We are not going to put authority in the hands of people who are not willing and not ready to take it.

THE SPEAKER: Third Official Opposition main question. The hon. Member for Edmonton-Riverview.

MRS. SLOAN: A recent report concludes that children up to 11 years of age from two-parent families with incomes of less than \$30,000 are at risk of ill health and violence. The report also suggests that these children are at risk of showing aggression and poor grades and will be raised in unsafe neighbourhoods. My questions are to the Minister of Health. Given that Alberta's welfare rates for families fall well below \$30,000, what action will the minister take to address the negative health impacts to children being raised in such environments?

2:00

MR. JONSON: Mr. Speaker, we have a number of initiatives in our overall business plan for Health focusing on the health of young people. I could go through quite a list, but I think one that we are working on very much currently is a children's initiative with respect to mental health. We have taken some preliminary additional programming and action in that regard with respect to crisis intervention in the two major cities, and we are developing a follow-up plan in that regard. In terms of the health care system I could go on at some length, but we certainly know the importance of children's health, both physical and mental, and that is a priority for our program as Alberta Health.

MRS. SLOAN: Thank you, Mr. Speaker. Why does the minister not incorporate the effects of family income as part of his ministry's social problem index?

MR. JONSON: Mr. Speaker, I regret that the hon. member has been unable to perhaps take in the information provided in the budget debate and in our overall business plan from Alberta Health, but the very funding formula that we use to fund our regional health authorities is one example. It factors in the demonstrated greater needs of socioeconomic status – and that includes families – in the way that we distribute and prioritize funds in Health.

MRS. SLOAN: Thank you, Mr. Speaker. My final question is to the Minister of Education. As the head of the Task Force on Children at Risk, will the minister ensure that provincial welfare rates and the effects of family income on children's health are incorporated in this task force review?

MR. MAR: It's difficult, Mr. Speaker, for me to comment specifically on welfare rates, but I will say that we will be looking at all of the programs that are dealing with children at risk. This may be one area. I don't know for sure. I've been waiting for the response from my ministerial colleagues who are in charge of departments that have such programs, and I expect that when they put forward their response in terms of the programs that reside within their departments, the issue of welfare rates may come up.

THE SPEAKER: Do you want to supplement? Okay.

DR. OBERG: Thank you very much, Mr. Speaker. I'd like to supplement on a couple of fronts. First of all, if I could just quote some of the findings that the study brought out: nearly 35 percent live in substandard housing; more than one-quarter live in troubled neighborhoods; they're more than twice as likely to have vision, hearing, speech, or mobility problems.

Mr. Speaker, first of all, no one in this government is denying that there are children who have troubled backgrounds right now. We are denying, though, that \$30,000 is the same in Edmonton as it is in downtown Toronto. It doesn't take a rocket surgeon to figure out that there is a difference in cost of living.

Another thing that I would add is that certainly poverty . . . [interjections] Mr. Speaker, obviously they don't want to hear the answer.

The other issue that I would like to bring up is the whole issue of poverty and children. Through the national children's agenda, which is something that I've personally been working on for the past two years, we've looked, and poverty is one of the indicators. Mr. Speaker, if the hon. members over there happen to read tablings, they would see that in the example of possible indicators there are probably some 40 or 50 indicators that we will be studying in the national children's agenda. Is poverty one of them? Absolutely. Is poverty the only one? Not a chance. There are 49 others that are equally as important as poverty.

Electoral Boundaries Review

MS BARRETT: Mr. Speaker, the Premier mused on the weekend about the government maybe wanting to eliminate some ridings in Edmonton and Calgary while keeping the same number of rural ridings.

DR. TAYLOR: Good idea.

MS BARRETT: Well, the courts don't agree with the comment from someone in the government benches there. The courts have ruled that rural Alberta is already maxed out in terms of legislative representation. Ah, but, you know, don't let the facts stop the government from launching yet another dog-and-pony show, this one called effective representation consultation. Well, this consultation, as far as I can see, is nothing more than a partisan exercise that should be paid for by the provincial Conservative Party and not the taxpayers of Alberta. I'd like to ask the Minister of Justice why it is we've got five government MLAs holding what I would call a bogus consultation using a biased questionnaire, ridiculously biased, when the government has already said that there will be no changes to the electoral boundaries until after the next election?

MR. HAVELOCK: Well, a couple of things, Mr. Speaker. One, the questionnaire is certainly not biased. In fact, I have never seen a document go through more scrutiny in my life than when we took that through our own caucus. I can assure the House that it's a very objective questionnaire.

Secondly, Mr. Speaker, all Members of the Legislative Assembly

have been invited to participate. In fact, the hon. Member for Whitecourt-St. Anne developed a package to enable all members of the Legislature to take the issue to their constituents, get some feedback from them, and see how they feel about it. I think that it's a very important issue. We need to find out from Albertans what they consider to be effective representation.

While I recognize and all members recognize that no changes will take place until after the next election, I think it's important at this time to solicit the views of Albertans so that when that review does take place down the road, we know where Albertans are coming from. I think it's a very effective process. I think it's a farsighted process. Let's hear what Albertans have to say on the matter.

MS BARRETT: Well, if it were that important, you'd think an all-party committee would have been struck.

Mr. Speaker, in response to the Minister of Justice's answer, I'd like to challenge him how he can justify wasting taxpayers' dollars on this so-called consultation when he knows full well that the courts would never allow any further reductions in urban ridings compared to rural unless they were corresponding reductions.

MR. HAVELOCK: Well, Mr. Speaker, the hon. member has, I would consider, a very special talent if she knows what the courts are going to do in the future, because I certainly can't predict that.

I have to also indicate, Mr. Speaker, that the budget for this is not that high at all. In fact the Member for Whitecourt-St. Anne and his committee have ensured that we are not spending a lot of money on this. Primarily that's been achieved by allowing, again, members in their local constituencies to participate, to have town hall meetings. We've developed a package that's very cost-effective and efficient.

So quite frankly, Mr. Speaker, I don't have a concern with the process at all. We tried to invite members from the opposite way to become involved in that process. That's how the package was developed. However, we need to be clear that this is a government initiative certainly. Nevertheless, if members across the way want to become involved, they have the opportunity to do so locally.

MS BARRETT: Well, Mr. Speaker, if this is such an important issue, one would have thought that it would be an all-party committee doing it. Given that it is not, why won't this government abandon this project and hand the bill over to the Conservative Party? That's who should be paying this bill.

MR. HAVELOCK: Actually, Mr. Speaker, the people who are going to dictate the end result of this are Albertans. Again I encourage the members across the way to involve their constituents and solicit their views. I think this government has a very good track record of listening to what Albertans have to say, and I think you're going to see this with respect to the effective representation issue.

THE SPEAKER: The hon. Member for Livingstone-Macleod, followed by the hon. Member for Edmonton-Glenora.

Children at Risk

(continued)

MR. COUTTS: Thank you, Mr. Speaker. While in my constituency this weekend I had a very lengthy and very informative and interesting conversation with one of my local principals from one of the schools there. The conversation was on school discipline, school conduct, and the need for counseling services in his school. Then on Saturday the Premier announced the formation of the Task Force on Children at Risk and has asked the Minister of Education to chair

that initiative. My question, then, is to the minister responsible for the task force. Can he tell this House and my interested school principal and all Albertans: exactly what is the overall mandate of this task force?

2:10

MR. MAR: Well, Mr. Speaker, in brief the Task Force on Children at Risk is in my view a very important step to ensuring that the programs that are available for students at risk, children at risk are co-ordinated and targeted.

There are programs contained within many government departments, Mr. Speaker: Education, Health, Family and Social Services, Community Development, Justice, and Intergovernmental and Aboriginal Affairs. We will complete an inventory of all of these programs for children through their departments and through agencies of government, the services being identified for these students.

What we are looking for is, first of all, what kind of program is being provided, how it works, what it's impact is, how they measure effectiveness within that program, and how many kids the program is helping. We'll also, Mr. Speaker, be looking at programs provided in other provinces and other jurisdictions to see how they deal with some of the issues we must deal with here in Alberta. Finally, the time line for this is to have the information available in time for the children's forum, which will take place this fall.

MR. COUTTS: My first supplemental, then, to the same minister: what does the government hope to accomplish by this task force?

MR. MAR: Well, among other things, Mr. Speaker, we want to make sure that there's a tighter network of services. One of the issues often raised by people in the community is access: who do you turn to, how do you access a program, and what do you need to do in order to get the help that a kid may need? So we'll also be looking at identifying issues where there may be gaps in delivery of service.

Finally, Mr. Speaker, I'll simply say this. I will repeat the Premier's commitment that we will do everything reasonably possible to help communities meet the needs of children in the future. That will be done.

MR. COUTTS: My second supplemental, Mr. Speaker. Since the Minister of Education has indicated that this information will be gathered for the Alberta children's forum this fall, my final question, then, is to the minister responsible for children's services. Can that minister explain what will happen once delegates receive this information?

MS CALAHASEN: Well, Mr. Speaker, the Alberta children's forum is definitely a part of the Alberta children's initiative, which was tabled in November 1998. It's the government's plan to be able to improve the lives of children and families. The four goals attached to that are that the children will be safe, the children will be well cared for, the children will be healthy, and the children will be successful at learning.

Mr. Speaker, the subject of children at risk will be one aspect of the forum. I expect that the information gathered with this task force will be extremely useful to the forum as well as to all Albertans in the province of Alberta. I think it's a little premature to identify what kind of actions the delegates at the forum will take, but I think it's very important that we all want to work together in whatever happens and that we make sure that all the departments identified by my colleague will be involved to ensure that whatever comes forward will be useful for all children and families in this province.

User Fees

MR. SAPERS: Mr. Speaker, on October 29, 1997, the Premier said, and I quote: we'd better look very, very carefully at user fees as we look at taxation, because we want to make sure that we maintain that competitive position and maintain the Alberta advantage, end quote. In spite of that, under this current government, user-fee taxes have increased by \$289 million – that's 28 percent – while Alberta's population has only increased by 13 percent. My questions are to the Provincial Treasurer. Why does Alberta collect local user-fee taxes at nearly 125 percent of the national average? That's the second highest amongst all of the provinces.

MR. DAY: Mr. Speaker, our overall tax load on Albertans on average in terms of what Canadians pay across the country – Albertans only pay 55 percent of the Canadian average, and that includes fees, charges, taxes, health care premiums. In spite of that, we are absolutely committed to review all fees and charges and see if we can do even better than that.

THE SPEAKER: I would like to remind the hon. member that this bill is up for debate later on today.

MR. SAPERS: Absolutely, Mr. Speaker, and the questions are avoiding Bill 35, although I am anxious for that debate.

Maybe the Treasurer didn't hear the question, and maybe I'll give the Treasurer another opportunity to explain why Alberta collects user-fee taxes at not 56 percent or 78 percent or whatever the number of the day is but at a rate of 125 percent of the national average?

MR. DAY: Mr. Speaker, I've already addressed the question. The average Albertan pays 55 percent lower than what the Canadian average is, and that includes fees.

The Member for Edmonton-Glenora said that he's looking forward to the debate. I'm really looking forward to it because as a government we're the only province in this nation that is reviewing all its fees and charges. I'm really fascinated to see if the Liberals are going to slow down the progress of this bill. It's going to be a fascinating debate to watch.

MR. SAPERS: Mr. Speaker, will the Treasurer adopt the recommendation of this Official Opposition and compare Alberta's level of user-fee taxes with all other provinces as one of the Treasurer's key performance measures?

MR. DAY: Mr. Speaker, we've done the comparison, and we used Stats Canada material. I'll try and say it slowly. I guess maybe he didn't hear me in the previous two questions because the member behind him, the Member for Spruce Grove-Sturgeon-St. Albert, probably drowns out my response when I'm talking, so he can't hear.

Mr. Speaker, looking at all fees that Albertans pay, all charges, all taxes, health care premiums, we pay 55 percent of what the average Canadian pays.

MRS. SOETAERT: Table it.

MR. DAY: We tabled it. We've tabled it many times.

We're involved in an exercise now to review all fees and charges to see if we can bring them even lower.

I'll say again that I'll be fascinated to see if the Liberals are going to be agreeing with this in this legislation or if they're going to be coming with their usual blizzard of amendments to try and slow

things down in this House. We look forward to relieving the pressure on Albertans. I hope they'll join us in this exercise.

THE SPEAKER: The hon. Member for Calgary-Glenmore, followed by the hon. Member for Lethbridge-East.

Adoptions

MR. STEVENS: Thank you, Mr. Speaker. This afternoon my questions are for the Minister of Family and Social Services. Previously the minister stated that adoption is an area within his ministry that needs improvement. Today a report was tabled examining the ministry's adoption delivery system. Does this report suggest improvements, and if so, have they been implemented?

DR. OBERG: Thank you very much, Mr. Speaker. The whole reason for reviewing any program is to see if there are better ways of doing things. I'm on record – and I certainly haven't gone against that – as saying that adoption is something in this department that quite frankly we don't do very well. When we take a look at the performance indicators in our business plan, we had an adoption rate of 4 percent last year. Over the next two to three years we hope to increase that to 10 percent, which is still quite frankly extremely, extremely low.

Mr. Speaker, today I tabled the Child Welfare League of Canada report. In that report there are 18 recommendations. I'm happy in a way, I guess, to say that we have looked at and implemented 14 of those 18, but as I said before, adoption is a place where we can do a better job. I know we can do a better job, and that's what we're committed to doing.

MR. STEVENS: Thank you, Mr. Speaker. To the same minister: what is being done to find homes for First Nations children?

DR. OBERG: Mr. Speaker, anytime we deal with the First Nations, we have to be extremely culturally sensitive. It has been shown that when children move out of the First Nations, there can be difficulty. So what we are doing is we are in the process of discussing. We put out a discussion paper on adoption in the First Nations. This, again, is someplace where we can do a better job, but it's also something that we're extremely committed to doing and getting more adoptions of First Nations children in the First Nations. We'll be going around the province and talking to the different bands, seeing how we can do it.

Mr. Speaker, we've also put pilot projects in for five First Nations that are going as of now. Again it's something we can do better, and we will.

MR. STEVENS: Thank you, Mr. Speaker. My last question is: what is the role of the child and family services authorities regarding adoption?

DR. OBERG: Mr. Speaker, as child and family services take over authority, they will be assuming responsibility for delivering adoptions in the regions. We are assuming the policy, we are keeping the adoption issue centrally, and we're keeping it within the department because as I stated earlier, we feel there are improvements that need to be made, and we will be keeping that centrally. We will be putting it forward to the child and family services to implement our policy, but we feel quite frankly – and this was one of the recommendations in the Child Welfare League of Canada report – that we should just have it centrally and that we can do a better job by getting that adoption expertise on a central basis.

2:20

THE SPEAKER: The hon. Member for Lethbridge-East, followed by the hon. Member for St. Albert.

Gas Emissions Monitoring

DR. NICOL: Thank you, Mr. Speaker. The Minister of Energy is proposing action to reduce but not eliminate emissions from grandfathered gas plants and from solution gas flares. Farmers across Alberta also continue to be affected by high emissions from well test flaring and from venting. My questions are to the minister of agriculture. Has the minister undertaken any independent research to substantiate the claims of many farmers and various studies that emissions are damaging the health of livestock and some crops such as alfalfa?

MR. STELMACH: This minister hasn't undertaken any specific research. However, we are jointly looking at a project with the Minister of Energy and the minister of the environment to look at some of the issues that keep percolating to the surface with respect to what the hon. member has mentioned.

DR. NICOL: Thank you, Mr. Speaker. The second question, again to the minister of agriculture: will the minister consider setting up a process so that farmers who have a valid complaint or a valid complaint that they feel has compensation adjustments possible can use that process without having to go to court, where it's a very high cost for them?

MR. STELMACH: Mr. Speaker, issues relating to SO₂ emissions are generally heard by the AEUB, and the Minister of Energy may want to bring forward to this House the process that is followed by AEUB. But we use that authority first of all to hear appeals from residents who have wells going into those areas, bring that information forward, and then the AEUB makes the determination as to conditions on the particular development in that area.

DR. NICOL: Thank you, Mr. Speaker. My final supplemental is to the Minister of Environmental Protection. Will the minister please indicate how the four-hour time frame that he uses in the Grande Prairie tests with the sniffer bus is long enough? Don't you think it takes longer than just four-hour spot checks to determine whether or not there's enough emission there to adversely affect livestock or crop production?

MR. LUND: Mr. Speaker, there were a number of what we call canisters that we left in the field, and they take a much longer time frame. The results from those are similar to the short-time tests. But the sniffer bus traveled throughout the area, and while they didn't stay in one location for a long period of time, they did take readings for I believe it was close to two weeks in various locations around the area. Certainly that gives a very good indication. Totally unannounced. As a matter of fact, if they could find a well site that was testing, they would sit downwind from it to make sure they were getting those kinds of readings, what exactly was coming from the emissions, but the longer term canister addresses the issue that you may have variances in a 24-hour period.

THE SPEAKER: The hon. Member for St. Albert, followed by the hon. Member for Edmonton-Meadowlark.

Nursing

MRS. O'NEILL: Thank you, Mr. Speaker. This week is National Nursing Week, and it highlights the very valuable role that nurses

play across Canada and certainly here in Alberta in providing quality health care to all Canadians. While we are recognizing that valuable contribution this week, there have been concerns raised over the past year or so that our nurses are under increasingly heavy workloads and stress, and there have been concerns raised that that stress is due to a shortage of nurses caused by the reductions of staff way back in the 1990s. My question is to the Minister of Health. Can the minister advise this Assembly whether or not we currently have an adequate number of nurses working in our publicly funded health care system?

MR. JONSON: Certainly, Mr. Speaker, I think it is important to recognize the very important place that professional nurses have in our health care system. This is the week to do it, although I think there's that appreciation of the work nurses do throughout the year and there always has been in the health care system.

I'd also just like to indicate that it's certainly acknowledged that during the period of '93-95 when we were working hard to reduce expenditure and build efficiencies into the system, nurses were reduced in number in this province. However, Mr. Speaker, as a result of our success in getting our financial house in order, we have been able to put some \$700 million back into the health care system. As indicated recently in a report of the Canadian Institute for Health Information, we have more registered nurses practising in Alberta than ever before in our history.

I would also in that regard just like to note that this was in large part, I think, helped at least by government in that we focused on the recruitment of frontline staff in 1996, when we targeted 1,000 additional frontline staff. It turned out that over 1,400 were hired, 800 of which were registered nurses. More recently, we have targeted a very significant part of the \$261 million going to health authorities to the hiring of an additional 1,000 frontline staff this year, the largest component of which will be nurses. So we do recognize the importance of this health profession, and we have certainly given it priority in our overall direction for funding.

MRS. O'NEILL: Thank you, Mr. Speaker. My first supplemental: could the minister tell us what action he is taking to ensure that we do have an adequate number of nurses for the near future?

MR. JONSON: Well, Mr. Speaker, I would have to indicate that part of our overall effort of course to improve the nursing situation – I think that in itself attracts nurses to the profession – is to provide additional funding and to provide that frontline staff. In addition to that, government overall – I would not take that as specifically an accomplishment of Alberta Health. The most recent information we have from the postsecondary sector is that the number of people enrolled in both the diploma program in nursing as well as the baccalaureate program in nursing is up significantly this year. That is a very promising trend. I hope it will continue because it bodes well, I think, for the future nursing supply, which we'll certainly need, and also for the fact that young people are finding it their preference to enroll in nursing.

MRS. O'NEILL: Thank you, Mr. Speaker. My second supplemental is to the same minister, and that is with regard to salaries. Are they adequate in comparison to the salaries that are paid to nurses in other provinces so that we can keep our nurses and attract those from other parts of the country?

MR. JONSON: Mr. Speaker, the current contract with the United Nurses of Alberta of course is the subject of negotiations, so I would only comment in very general terms. Our statistics would indicate

that the rates of pay to nurses in this province rank second or third nationally, depending on which specific category you're talking about. I think if you're, for instance, comparing ourselves to British Columbia and looking at the overall taxes that a nurse or a teacher or an engineer pays in this province, their compensation is quite competitive, quite comparable, to the top-paying provinces at this moment in time.

THE SPEAKER: The hon. Member for Edmonton-Meadowlark, followed by the hon. Member for Calgary-West.

2:30

Vilna Long-term Care Centre

MS LEIBOVICI: Thank you, Mr. Speaker. Since the board of the Lakeland regional health authority was fired, that region has been in constant turmoil. Frontline staff have been dismissed or demoted, and long-term beds are now closing. Once again this government is demonstrating that the bottom line counts more than the front line in Alberta's families. My questions are to the Minister of Health. How can the minister justify the closing of a long-term care centre that is only 16 years old when there is a substantial waiting list for these services?

MR. JONSON: Well, first of all, Mr. Speaker, I would want to very much disagree with the premise or the introduction to the member's question, because it's been quite clear to me that there is much less in the way of concerns and complaints from the Lakeland regional health authority than there was a number of months ago. So I think that the basic premise is subject to question.

Secondly, with respect to the Vilna centre, which I believe the member is referring to, the regional health authority still has to be managed. There have to be decisions made on the costing of services, the cost of the provision or maintenance of certain facilities. It's my understanding that the current residents of that facility will be relocated elsewhere in the region. Certainly, Mr. Speaker, the overall physical facilities in the Lakeland regional health authority are, at least as far as buildings are concerned, more than adequate to accommodate the people.

MS LEIBOVICI: That's not the case.

Is the minister aware of the disruption to family life when pioneers of our province, some as old as 95 years old, Mr. Speaker, are forced to move out of their communities to find a long-term bed somewhere in the region?

MR. JONSON: Mr. Speaker, my understanding of the situation is that the majority of the current residents of that facility are quite interested, in fact have some a preference to go to other locations.

The other thing, Mr. Speaker, is that in the overall management of a regional health authority, there do have to be decisions made with respect to efficiencies as well as quality of care. I am assured that the quality of care is going to be available to these individuals, and yes, there is a management decision that is being made.

MS LEIBOVICI: Thank you, Mr. Speaker. Is the minister not concerned that mothballing this publicly funded health care facility will just lead to a private health care facility in that region now?

MR. JONSON: Mr. Speaker, I have no indication that that would at all be considered or the case.

THE SPEAKER: The hon. Member for Calgary-West, followed by the hon. Member for Edmonton-Ellerslie.

Seniors' Lodges

MS KRYCZKA: Thank you, Mr. Speaker. In my work with seniors, whether in my constituency of Calgary-West or with the Seniors Advisory Council for Alberta, the impact of the aging population study, or the long-term care policy advisory committee, the availability of appropriate housing choices is a high priority expressed by seniors who have been consulted. My question today is to the Minister of Public Works, Supply and Services. As many seniors live in lodges throughout Alberta, would the minister provide an update on the seniors' lodge upgrading program that was established in 1994?

MR. WOLOSZYN: Thank you, Mr. Speaker. As the member indicated, in 1994, as now, seniors are extremely important to this province. We are very concerned about providing what we would call both quality and comfortable housing. As a result of that, some 111 lodges were reviewed as to their condition, and the program was initiated to upgrade these lodges with respect to building codes, electrical/mechanical building envelope to ensure that they're in fact good living accommodations. To date, out of the 111 that were assessed, some 56 have been completed.

MS KRYCZKA: Thank you, Mr. Speaker. My first supplemental question is to the same minister. Can the minister tell us how much funding will be allocated to the upgrading of seniors' lodges this year and how many lodges will benefit from this funding?

MR. WOLOSZYN: Yes, Mr. Speaker. The allocation in this year's budget is somewhat in excess of \$16 million. Including the projects that were started last year, we'll have some 18 projects under way during this current fiscal year.

MS KRYCZKA: Thank you, Mr. Speaker. My second supplementary question is also to the same minister. Do lodges contribute in any way to their upgrades, or is government the sole provider of funds for the projects?

MR. WOLOSZYN: Mr. Speaker, one of the big pluses of this program is that it is a co-operative program with the lodges. We do an extensive consultation both in the kind of work that they would like as well as what's required. Now, for any additions that go beyond the actual prescribed work, we permit the lodges to provide the funds, at which point we supervise it as part of the ongoing project. To date we've spent some \$74 million out of the program money and an additional 12 plus has been provided by the individual foundations.

THE SPEAKER: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for West Yellowhead.

Fish in Irrigation Canals

MS CARLSON: Mr. Speaker, there are well over 200,000 licensed anglers in Alberta who spend nearly \$200 million per year on recreational fishing. So it's big business. Yet this government has seriously neglected the management of our fish stocks, as seen in southern Alberta where hundreds of thousands of fish die in irrigation ditches at the end of each season. How does the Minister of Environmental Protection justify two standards, requiring private operators to install fish screens on outlets from a river but taking no action to prevent fish entering major irrigation canals which are owned and operated by his own department?

MR. LUND: Thanks, Mr. Speaker. The hon. member makes it sound like this is a very, very easy situation to solve. The fact is that currently there is no device that is, shall we say, foolproof. There are devices out there. They are very high maintenance, and so far it seems as though the number of fish that would be killed or drowned in that kind of an operation is quite substantial.

So, Mr. Speaker, there's some research going on with various devices. We recognize that this is a problem, and we're anxious to fix it, but currently there is no easy solution to the problem.

MS CARLSON: Mr. Speaker, this is a double-standard government. What action is this minister taking now, and when does he plan to have fish screens on all structures operated by the government, as currently required for private operators?

MR. LUND: Mr. Speaker, currently we are doing some experimental work to try to determine a system that will be effective, because we don't like to see the loss of fish. But as I said in my first answer, it's very difficult to put in place a system that will end up with a net saving of fish.

MS CARLSON: Mr. Speaker, will the minister finally respond to the request from Trout Unlimited and set up a task force to work out a solution to the problems and prevent this unnecessary loss of fish?

MR. LUND: Mr. Speaker, as I indicated earlier, we are doing some work, and there will be more work done, like the Pine Coulee project, to see if we can devise some kind of system that will in fact save those fish from getting into the canals.

Recognitions

THE SPEAKER: Hon. members, 30 seconds from now I'll call on the first of seven members to participate in Recognitions today. That first member will be the hon. Member for West Yellowhead.

2:40

VE Day Celebration

MR. STRANG: Thank you, Mr. Speaker. As we are all aware, Victory in Europe Day was proclaimed by U.S. President Truman on May 8, 1945. It was an honour to participate in the annual VE Day celebration of the Royal Canadian Legion, Joe Wynn No. 51 branch, in Edson on May 8. The celebration began with a VE Day service. The participants enjoyed the fellowship, and a dinner and dance followed. It provided us with an opportunity to celebrate the remembrance of the great day 54 years ago when this country's freedom was won.

The Joe Wynn branch always does things first-class. They make sure that we remember their fellow comrades and always cherish this day. They remind us that we are lucky to have our freedom. In closing, I'd like to take this opportunity to thank the Royal Canadian Legion, Joe Wynn No. 51 branch, in Edson for helping us remember again.

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

Mental Health Week

MS LEBOVICI: Thank you, Mr. Speaker. May 3 to 9 is Mental Health Week, and I would like to formally recognize the hard work of mental health providers, caregivers, and volunteers in providing mental health services. We're all aware that a breakdown in an individual's mental health can be disruptive not only to that

individual but potentially to their associates, work colleagues, families, and friends.

Unfortunately, the task of these providers, caregivers, volunteers, and the access to services for those in need have been affected by this government's cuts to health care. In some cases deinstitutionalization occurred without proper supports in place. It is important that this government move quickly to ensure that the mental health delivery system within this province is stabilized and that the role of the Provincial Mental Health Board is defined.

Thank you.

THE SPEAKER: The hon. Member for Wetaskiwin-Camrose.

ATA Health and Physical Education Council

MR. JOHNSON: Thank you, Mr. Speaker. The ATA Specialist Council on Health and Physical Education held their '99 conference this past weekend at Augustana University College in Camrose. Over 650 teachers from across the province took this opportunity to introduce themselves to Alberta's new, cutting-edge physical education curriculum. The theme, *There Are No Limits*, was meant to encourage participants to accommodate new ideas and strategies in physical education.

I would like to recognize specialist council president Lois Vanderlee and conference co-chairs Barry Dillon, Yvonne Becker, and Ean Langille for their outstanding leadership as well as the many volunteers who made this conference possible. Congratulations go to the Jack Stuart school in Camrose and physical education director Carvel Skaret for receiving the special 10-year quality daily physical education award and to Ean Langille of Bawlf, who was a recipient of the HPEC young professional award.

I'm also pleased to congratulate all 173 Alberta schools that received a Canadian quality daily physical education award. Alberta schools garnered more of these awards than any other province in Canada, showing yet again that Alberta's educators are second to none.

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

Alvena Strasbourg

MS OLSEN: Thank you, Mr. Speaker. I'm pleased to rise today to recognize a local author and Metis elder. I'm proud to say that Alvena Strasbourg is a constituent of Edmonton-Norwood. Alvena has been and continues to be a strong advocate for the Metis people and the betterment of the community. In her latest achievement, her book entitled *Memories of a Metis Woman: Fort McMurray Yesterday and Today*, Strasbourg recounts her thoughts and experiences growing up in northern Alberta. Alvena has also been honoured recently with the Keyano College board of governors' 1999 distinguished citizen award.

She has come from humble beginnings and has made the progression from the bush to the boardroom. In 1977 she founded the native women's pre-employment training program. That program continues to operate successfully at Grant MacEwan Community College in Edmonton. From 1978 to '79 she worked as an employment recruiter at Syncrude and was instrumental in Syncrude's aboriginal employment rate being maintained at 10 percent. She was a director of the Metis Nation of Alberta, on the board from 1987 to '90, and worked with the pathways program.

Alvena served as president of the Athabasca Native Development Corporation from 1989 to 1991. She then served three years as a Keyano College board of governors member, from 1989 to 1992. Strasbourg was named president of the native employment associa-

tion of Alberta in 1997, during which time she co-chaired the region 10 steering committee and was commissioner of services for children and families.

Thank you.

Nursing Week

MRS. FORSYTH: Mr. Speaker, May 10 to 16 is Nursing Week in Canada, and I rise in the House today to recognize the superb job being done by Alberta nurses. The theme of this year's Nursing Week is Registered Nurses, Leaders in Health. Indeed nurses play a very significant and leading role in Alberta's health care.

Nursing can be seen to rise from two wellsprings, one scientific, the other religious and social. Acceleration of scientific advancement in health began in the 16th century. During the 19th century the movement for reform in nursing was led by Florence Nightingale, a woman of intellectual and moral power. Florence Nightingale believed that nursing services should be administered by those with special preparation and that the relationship between physicians and nurses should be professional. As we pursue our vision for maintaining and strengthening a sustainable publicly funded health system, our government and our province will continue to rely on nurses.

I ask all members of the Assembly to join with me this week in showing our support for this noble profession and recognizing the leading role nurses play in our health system. Thank you, nurses.

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

Museums Week

MS BLAKEMAN: Thank you, Mr. Speaker. May 16 to 22 is Museums Week in Alberta. I'd like to recognize the kind of innovative work being done by Alberta museums by focusing on one. Last summer I attended a unique exhibit at the Red Deer & District Museum. The exhibit was *Fabrications: Stitching Ourselves Together*, and it featured wedding dresses sewn for friends and family by seamstress Lorraine Church of Lacombe. The exhibit was written and narrated by her daughter Dr. Kathryn Church. *Fabrications* has had a tremendous effect on people, and I think it's because it's about people's stories, not Hollywood people, but us, Albertan women, mothers and daughters. We all recognize ourselves in these stories.

Fabrications was featured on CBC Radio's *This Morning* and is currently on a national tour to the Canadian Museum of Civilization and later to the Glenbow Museum. My thanks to Wendy Martindale and the staff of the Red Deer museum for recognizing a good idea and for staying with it. The museum, along with Lorraine and Kathryn, have given us a great gift and an Alberta story of which we are very proud.

Thank you.

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

Jeanette Gagnon

MS KRYCZKA: Thank you. Mr. Speaker, I am very proud to recognize Jeanette Gagnon, a constituent of mine in Calgary-West and resident of the Westgate community. On Saturday, May 8, at the kickoff and awards ceremony for the 1999 Alberta Crime Prevention Week, Jeanette was one of 12 Albertans who was awarded a 1999 Alberta Justice crime prevention award for leadership in crime prevention by the Hon. Jon Havelock, QC, Minister of Justice and Attorney General.

Jeanette became a block parent in 1989 and in following years created a very successful program in her community. She has recently chaired the nationally recognized Calgary Block Parent Association and was instrumental in creating financial stability for the organization by launching the successful sale of school calendars fund-raising program.

Last year, due to her presentations to children in five schools, informed children stayed safe in two incidents: a young girl from a pedophile and two children who got off their bus in the wrong community. Thanks to the commitment of citizens like Jeanette Gagnon the streets of Calgary are safer for our children.

Thank you.

THE SPEAKER: Hon. members, before proceeding to a point of order, might we revert briefly to Introduction of Guests?

HON. MEMBERS: Agreed.

head: Introduction of Guests

(*reversion*)

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

MS OLSEN: Thank you, Mr. Speaker. It's my pleasure to introduce five women in the House today. The first lady is Kay Feehan, who is a longtime Liberal friend, from the region 10 steering committee on the regionalization of children's services; Alvena Strasbourg, whose accomplishments I just recited in the House, an Edmonton-Norwood constituent and an elder in the Metis community; Betty Carson, a keen supporter of Liberal politics and a good friend to Edmonton-Norwood. The last two folks keep me in line and in order: Don Poskicil has a BA in political science from the University of Alberta and is the Edmonton-Norwood constituency office and case manager, and Shannon Sampert is a master of communications student at the University of Calgary and a returning STEP student to the Edmonton-Norwood constituency. If they could all rise and receive a warm welcome from the Assembly.

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

Point of Order Provoking Debate

MR. DICKSON: Thanks very much, Mr. Speaker. *Beauchesne* 408(2) enjoins ministers of the Crown from providing answers that might provoke debate. In the exchange between the Minister of Justice and the leader of the third party I heard the minister describing this process with respect to electoral boundaries and effective representation. I heard him say words to the effect – and I don't have the Blues yet – that it was a process designed with involvement or participation by the opposition. I stand to be corrected if the Blues show otherwise, but it was clear I think to anyone listening that the Liberal opposition was somehow complicit in that package of material we've all received in our constituency offices. The reality is that's a fiction.

2:50

The first notice that I or members of my caucus received about this so-called public consultation is when I received a package in my constituency office. Liberal MLAs had no input into the material that was prepared and sent out to constituency offices. We never had any input into the need for such a consultation. We had never been invited to participate in the committee which is somehow managing this.

Had we been asked, had this fictitious process of involvement in fact been accurate, we would have responded. We would have said: why was there no select special committee with representation from all three parties dealing with an issue as essential as electoral representation? We would have asked why there's no reference in the printed material to the Supreme Court of Canada decision in the Dixon case from the province of British Columbia, why there's no explicit description of the Alberta Court of Appeal decision in the reference from the province of Alberta, why no reference to the elaborate matrix developed by Mr. John McCarthy and Dr. Wally Worth and other people who participated in that last commission dealing with multiple variables.

Mr. Speaker, if one were intending to provoke debate, you could do absolutely no better than the Minister of Justice did today with his fictitious account of how we may have been involved in some fashion with that consultation. I was anxious to make sure that all members knew the truth and recognized this for what it is. It may be a frolic of the Member for Whitecourt-Ste. Anne, but it's no proper all-party exercise of this Legislature.

Thank you very much.

THE SPEAKER: The hon. Deputy Government House Leader on this point of order.

MR. HAVELOCK: Thank you, Mr. Speaker. If one were to examine my response in its entirety, which the hon. member has not been able to do, and not take a particular portion or segment out of context, then I believe that any reasonable person would conclude that I was referring to all MLAs having, if they so desire, the ability and option to participate in the process. That in fact was why the MLA package was developed. Consequently, this is certainly not a point of order but a matter of a very questionable interpretation on the part of the Opposition House Leader.

THE SPEAKER: Well, it seems that we've had some clarification here today with respect to this particular matter. It is quite clear, though, that certainly the statements made in this House on various occasions dealing with this matter would have led any outside observer to conclude that in fact members other than government members were participating in this particular venture. When this matter was introduced by the hon. Member for Whitecourt-Ste. Anne, the statement was made in the House that this was an all-party committee, and certainly the innuendo today was that opposition members were participating with respect to this. So perhaps there has been some clarification here with respect to this matter, and we might be able to go forward on that particular matter.

The chair will apologize rather briefly for the length of some of his overtures the other day, on Thursday afternoon, when he was given an opportunity to wax eloquent with respect to decorum in this House. A number of hon. members did draw to the chair's attention that this perhaps was a bit beyond even the 20-minute speaking time which is normally reserved for members. But it was such a great opportunity, and one has so few opportunities to participate. This was offered to me on a plate, and I took it. Sorry.

head: Orders of the Day

head: Government Bills and Orders

head: Second Reading

Bill 28

Alberta Corporate Tax Amendment Act, 1999

[Adjourned debate April 27: Mr. Hancock]

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

MR. SAPERS: Thanks, Mr. Speaker. Bill 28 is the Alberta Corporate Tax Amendment Act. It would accomplish a few things. It updates administrative provisions of the Alberta Corporate Tax Act regarding the process of assessment and reassessment in order that they be parallel. It makes direct reference to the federal Income Tax Act and the changes that have recently been imposed by the federal government. Bill 28 clarifies that objections and appeals of provincial assessments, reassessments, and the general anti-avoidance rule assessments which parallel federal assessments and reassessments can only take place after federal action has been concluded.

Mr. Speaker, the general anti-avoidance rule, or GAR as it's known, assessments have been of particular concern to many Alberta financial institutions, so to that extent Bill 28 has been a long time coming. It also changes the calculation of financial institutions regarding capital tax designed to harmonize Alberta's tax base with the federal LCT, or large corporations tax. This harmonization of Alberta's capital tax base with the LCT results in a broadening of the tax base. In order to ensure that the financial institutions capital tax remains revenue neutral, the rate is being lowered from the current 2 percent of capital to a two-tiered rate of percent on the first \$400 million of capital and 1 percent on the remaining capital above \$400 million.

Mr. Speaker, the claim is that this will result in a revenue-neutral tax regime for the new Corporate Tax Act. However, I have yet to see the numbers that Treasury apparently ran to back up that claim, so I have asked some of the financial institutions and for the assistance of the Canadian Bankers Association, Alberta division, to help generate some better understanding of what the real impact of this broadening of the base will be on Alberta corporate taxpayers.

Mr. Speaker, I believe there will be some other comments from the opposition regarding some concerns that we have, and certainly we will be looking towards a couple of sections that require amendment when we get into committee. But right off the bat I'd like to make just some initial observations to set the context for the debate on Bill 28.

On an international basis Canada is pretty much unique in having capital taxes. Germany and some Latin American countries have capital tax, but in the United States and the United Kingdom capital taxes don't exist. As capital becomes more and more mobile, it will usually be deployed where the cost for maintaining it is less. This could mean offshore but also that taxpayers that operate in more than one province will have some ability to shift capital to where the rates are lower.

Mr. Speaker, capital taxes add directly to Canadian firms' cost of capital and must be paid regardless of income. In other words, it's not a tax on profit. What it is: it's a tax on the asset as it exists, whether it's invested at a poor return or not. As capital is a basis for generating investment and growth, capital taxes discourage investment and growth. This was a finding of the economics of bank taxation in Canada report from January of last year. Capital taxes create an incentive for banks to minimize capital, which is contrary to the regulatory requirements that banks maintain strong capital bases. This is particularly interesting to Albertans because we are seeing at least two major financial institutions undergoing some transition or at least talk of transition, those being the credit union network in Alberta and the Alberta Treasury Branches.

Mr. Speaker, capital taxes act as a disincentive to increase the banks' capital base. Banks are required by their regulator to maintain high levels of capital for safety and soundness reasons, yet the federal and provincial governments undermine these public policy objectives by penalizing banks with a tax on the capital they raise. As few other major countries impose such a penalty, Canadian

banks are placed at a competitive disadvantage to their foreign competitors through a higher cost of capital.

Mr. Speaker, before this sounds like I'm becoming too much of an apologist for the banks and suggesting that they should pay less tax, just let me say that while I recognize that Canadian banks collectively are probably the largest corporate taxpayers in the country, I'd also like to go on record as stating that before we do much to reduce or eliminate their tax burden overall, I'd like to see some of the other recommendations of the MacKay task force, for example, be taken into consideration, such as some dispute resolution mechanisms, some public consultation regarding any potentials for mergers.

Ultimately, Mr. Speaker, before the banks would gain my direct support for major tax relief, I would like to have a much broader discussion about their return on investment profit and also the collection of revenue that they enjoy through things like user fees and account fees. Perhaps it would be an interesting discussion to have at a shareholders' meeting of one of the major chartered banks if we were to have some sort of a debate between those who support lower taxes and those who support lower fees and charges imposed on depositors.

3:00

Levying capital taxes discourages an institution from increasing its capital, which is counter to regulatory concerns. This reduces the basis by which both income and income taxes can be generated. Corporations may reduce their liabilities at year-end or take more extreme measures, such as transferring portfolio investments to foreign corporations or holding business assets in a trust, in order to minimize their capital tax. However, some of these techniques may in fact run afoul of the general avoidance rules that I was speaking of briefly earlier.

The average incremental tax burden of raising \$100 million in equity would cost over \$1.4 million, while raising \$100 million in debt would cost almost a million dollars. Large Canadian financial institutions, Mr. Speaker, those being those liable to pay all applicable capital taxes, face higher marginal effective tax rates on loans than nonfinancial corporations. The nonfinancial corporations pay in the order of 65 percent, whereas the larger institutions pay about 78 percent.

Capital taxes increase borrowing costs, which often will hurt homeowners, be an impediment to first-time buyers, be somewhat of a disadvantage to small business and other customers who are faced with ongoing borrowing requirements. Mr. Speaker, it's estimated that together the costs of loans in these categories are 12 to 15 basis points higher because of the capital taxes on banks. Of course, this is a bit of an academic argument. We'd have to in some empirical way figure out whether or not consumers would actually receive the benefit of reduced loan rates if capital taxes were also reduced. Maybe the first measure will be what happens if Bill 28 in fact does become law with the proposed rate reductions.

Taxes on banks have grown faster than taxes on other industries. From 1987 to 1994 federal and provincial corporate taxes paid by the six largest banks in Canada increased from less than \$500 million to almost \$2.4 billion. Financial institutions may be subject to provincial capital taxes at rates several times higher than other companies. The total amount of capital taxes on financial institutions was \$429 million nationwide in 1994.

In 1996 regulated financial institutions paid \$350 million in federal capital tax and more than a half billion in provincial capital taxes. Capital is important to the safety and soundness of all financial institutions, and taxing it can make it more expensive and encourage the institution to maintain less of it. This runs counter, of course, to prudent concerns about management and is particularly

troublesome when the tax is levied on all capital, including every additional dollar of capital raised.

It's estimated that the cost of the capital tax in the raising of new capital is in the range of 1.5 percent for every dollar of capital that is raised. Capital tax increases the cost of doing business. It is estimated that the impact of the capital tax on a loan could be as high as 12 to 13 basis points. This is a considerable portion of the spread that is charged by financial institutions and can be a substantial cost to the ultimate consumer or customer. Capital taxes are payable even if the financial institution loses money. This compounds the impact of the losses on capital, which can be a particularly important problem during the early years of the institution. It can be a serious entry barrier to new competitors.

The fixed nature of capital taxes means that they are not sensitive to income level, which means that they could have more of an effect on a smaller or less profitable company. There is an element of overstatement of capital in those regimes that include fixed assets and tangible property in a financial institution's capital base in addition to its shareholders' equity debenture. This is because some portion of the shareholders' equity in debentures already funds fixed assets.

[Mrs. Gordon in the chair]

Madam Speaker, with that brief review of capital taxes and the impact that they have on financial institutions, I would like to say that we will be looking for some assurance from the government as we proceed with Bill 28 that they will be sensitive to suggestions made to ensure a level playing field for all financial institutions in Alberta. We would hope that any changes which will have a direct impact on the efficient operations of the Alberta Treasury Branch or on the operation of Alberta's credit union system would be done in the open and in full public view and would not happen as a result of some behind-closed-doors cabinet meeting. The Official Opposition continues to be concerned by the extent to which subordinate lawmaking takes place in the province of Alberta. We think that when it comes to something as basic as taxation, every effort should be made to have the discussions public and open to view and scrutiny and subject to feedback.

So, Madam Speaker, with those opening comments I will pass the torch along to colleagues who have some observations to make on changes to Alberta's corporate tax collection regime.

Just before I do, I'd like to say that when the Treasurer makes his comments, as he often does, about Alberta having the lowest tax advantage in the country, I think it is instructive to note that in this particular case the changes coming in Bill 28 follow changes that came as a result of a federal government initiative to deal with the general anti-avoidance rule and to make sure that if the base on capital tax was in fact broadened, rates would not increase. Certainly the federal government wasn't interested in setting the precedent for any kind of tax grab, and I would hope that would be the case for this provincial government as well.

THE ACTING SPEAKER: The hon. Member for Edmonton-Manning.

MR. GIBBONS: Thank you, Madam Speaker. I'm pleased to stand to speak to Bill 28. It is a bill that is a bit dry, and we have to be able to understand and try to figure out some of the items in this. The object of Bill 28, the Alberta Corporate Tax Amendment Act, is twofold. It updates administrative provisions in the Alberta Corporate Tax Act regarding the process of assessment and reassessment in order to be parallel with and in direct reference to the federal

Income Tax Act and clarifies that objections and appeals of provincial assessments, reassessments, and the general anti-avoidance rule assessments which would parallel federal assessments and reassessments can only take place after the federal action has been concluded.

It changes the calculation of financial institution capital taxes designed to harmonize the Alberta capital tax base with the federal large corporations tax. The harmonization of Alberta's capital tax base with the LCT includes the broadening of the tax base. In order to ensure that the financial institution capital tax remains revenue neutral, the rate is being lowered from the current 2 percent of capital to the two-tiered rate of .7 percent on the first \$400 million of the capital and 1 percent on the remaining capital above \$400 million.

Now, going through this, some of the items that I can see are that if taxpayers do not agree with the assessment or reassessment issued by the Provincial Treasurer, they can file a notice of objection and appeal. The purpose of the amendment to the ACTA as outlined in Bill 28 is to clarify the process of appeal and objections to ensure that when the provincial assessment and reassessment parallel the federal assessment and reassessment, taxpayers will not be able to file objections or appeals to Alberta courts until the federal case is resolved. It can take federal officials a length of time to develop their case. If a case is held first in Alberta courts, the information revealed in those courts could be used against federal officials during the federal case. By relying on the federal courts before proceeding in response to an Alberta appeal of an assessment or reassessment, the province is able to share the information from federal officials for use in an Alberta appeal.

3:10

A change in Bill 28 that I can notice is to ensure that any appeal of the Alberta court on an Alberta GAR reassessment that parallels the federal reassessment takes place after the federal action has been completed.

There is a remission rule for small Alberta-based financial institutions. The capital tax for small Alberta-based institutions with headquarters in Alberta is limited to 10 percent of their pretax net income allocated to Alberta, provided that the value is less than Alberta's capital tax otherwise payable. This reduction decreases on the relative basis that the financial institution capital base totals more than \$100 million and is eliminated when the capital base reaches \$200 million. The maximum capital tax for a credit union is \$100 per year. Alberta Treasury Branches do not pay the financial institution capital tax as they are still owned by the province. In 1999-2000 the financial institution capital tax is projected to raise \$38 million in revenue to the Alberta government.

In perusing through Bill 28, I see the capital tax base under the calculation of tax liability for financial institutions will now include long-term debt and capital property. Financial institutions are increasingly using long-term debt and capital property rather than shareholders' equity to finance their capital assets base.

The main thing that we're for – and when I say we, I'm speaking to but am also speaking for some of the items I do agree with. However, our party belief on Bill 28 is that we're concerned the government would include provisions in Bill 28 that would see the ATB pay capital taxes and the credit unions pay more than the \$100 maximum, based on a proclamation by cabinet fiat through order in council.

Another item. While we acknowledge the movement toward a level playing field for financial institutions in the province, we believe that significant tax policy changes from the ATB and credit unions should be introduced in separate legislation so that they can

be debated in the Legislative Assembly. We propose to introduce amendments when we get into committee stage, Madam Speaker, to ensure that such tax policy changes receive full legislative scrutiny.

Under the capital tax for financial institutions we should be looking at changes designed to harmonize the Alberta capital base for taxation of financial institutions with that of federal large corporations. It seems to be long overdue. It also is apparent that the costs of compliance and administration for both the provincial government and the financial institution sector are high when there is a lack of co-ordination on the application of the capital tax base on financial institutions between both levels of government and between provinces.

We also note that the issues of harmonizing were raised by the Canadian Bankers Association as part of a submission to the Alberta Tax Reform Commission over five years ago, in 1993. The Canadian Bankers Association recommended to combine the Alberta capital tax return with the federal large corporation tax return to reduce the administration of audit costs to government and alleviate the compliance burden costs to business. However, we also need to ensure that the tax burden on financial institutions is not increased as a result of changes. We the Official Opposition appreciate that the banking sector in Alberta has been a significant generator of high-skilled jobs and investment, which has contributed to the economic diversity and the growth of Alberta's economy.

We also appreciate seeing the study prepared by Alberta Treasury that confirms the revenue neutrality of changes. We would note that when the capital base broadened in Ontario and Saskatchewan, the six largest banks actually paid additional taxes of \$70 million annually as a result of that harmonization. We also note that we do not want to see it occur within the Alberta context since we recognize the financial institution sector of this province as a vital component of our competitiveness into the next century and the next millennium.

The potential future applications of this financial institution capital tax in Alberta and the Alberta Treasury Branch and the wider application of capital taxes to credit unions through Bill 28 is an extremely surprising policy change for this provincial government. While we recognize that the Provincial Treasurer will say that it is consistent with the need to achieve a level playing field in the financial institution sector in this province, it appears that significant changes can now be made through the simple proclamation of a section of the act by order in council in the case of the ATB and the simple proclamation of the repeal of a section of the act by an order in council as it applies to the credit unions. We'd like to know whether there's extensive consultation with ATB and the credit unions as it relates to inserting provisions in this act. I would hope that these consultations have happened, but Madam Speaker, there have been other times that we have not had the phone calls until after the bills have been proclaimed.

I'd also like to know the future intentions of this government as it pertains to application of capital tax to the ATB and credit unions. We would expect that the elimination of the \$100 maximum on credit unions would reduce the significant increase in tax liability for credit unions, while requiring the ATB to pay capital taxes on some of the future dates may be a signal of an impending privatization. Perhaps the Provincial Treasurer can let us know whether or not he's leading us down another road of privatizing. I believe these changes should not be made by cabinet fiat but should be approved by the Legislative Assembly. Therefore, we will be proposing a number of amendments on this particular item around where it's going to be passed and whether or not the whole Assembly is going to be part of it.

We would also appreciate some indications from the Treasurer as

to whether changes of Alberta financial institutions' capital taxes as outlined in Bill 28 are simply a first step toward a comprehensive review of the impact of capital taxes on competitiveness within the financial institution sector. We would like to point out that there have been a number of observations and recommendations made over the past few years relating to the impact of capital taxes on economic competitiveness.

The capital tax act is a disincentive to increase the banks' capital base. The banks are required by their regulators to maintain a high level of capital for safety and soundness reasons, yet the federal and provincial governments undermine these public policy objectives by penalizing banks with a tax on the capital they raise. As few other major countries impose such taxes, Canadian banks are placed in a competitive disadvantage with the foreign competitors through the higher cost of capital. Companies incurring large losses and companies investing in new projects may be subject to substantial capital taxes. Capital taxes increase borrowing costs, hurting homeowners, small businesses, other borrowing consumers, and it's established that loans are 12 to 15 basis points higher because of the capital tax upon our banks. This is the Canadian banking system.

Financial institutions may be subject to provincial capital taxes at a rate several times higher than other companies. The amount of capital taxes on financial institutions was \$429 million in 1994. In 1996 the regulated financial institutions paid \$350 million in federal capital taxes and \$522 million in provincial capital taxes.

3:20

What we suggest, if the capital tax is kept, is that income taxes paid should be fully creditable against capital taxes so that it acts as a minimum tax. The tax burden should be shifted to the greatest extent possible away from capital and toward profit. The capital tax should be reconfigured so that it does not apply to additional capital over some targeted amounts. This could be accomplished by a schedule of capital taxes that decline to zero at some level of the capital that was appropriately related to the assets of the institution. It could also be by eliminating differential capital rates so that they apply equally to all providers of financial services. Making the capital tax system operate like a true, credible minimum tax would be one of the main objectives that I would actually push for.

Other taxes issued. Alberta continually monitors every tax in its tax system. In the past years a number of questions have been raised about property taxes. These questions relate to a number of factors, including the movement to market value assessment, the impact of higher growth in some municipalities on the infrastructure costs, the changes in educational dollars, which should now be on record as being called not the educational property tax but the provincial tax. The government in its co-operation with municipalities or lack of communication with municipalities is reviewing various aspects of the property tax system. Both provincial and municipal governments recognize that there must be a balance struck between the services and whether or not they are services that are not just downloaded onto the municipalities.

I think one of the things that actually should be brought out is that when the government is under the pretense of governing, instead they're downloading, whether or not they blame themselves or blame the federal government. The government over the last few years has been in a sequence of fusion, and that is fusion of all different departments into amalgamating so they can put a tax on each one of us provincially, corporationwise, or bankwise. They don't know what direction they're actually going, but what they are doing is just clouding it in to a fusion-type government.

The Alberta capital tax base will be harmonized with federal large corporations' tax bases. This is to ensure that the change to a

broader tax base is revenue neutral overall. The rate will be lowered by 2 percent or .7, as mentioned earlier.

But, Madam Speaker, the main highlights of this bill – and once we get into committee, when amendments are brought forward and hopefully brought forward by both the government and our side to help this bill through, then that's when I will be able to stand up and say that I speak for it in its entirety – are to clarify that objection and appeal provision assessment, reassessment. General anti-avoidance rules is one of the main items. Also, one of the items that really has to be brought out is it includes the Alberta Treasury Branch under the definition of financial institution. ATB may be required to pay a capital tax at some future date subject to the proclamation of the operative section. The credit unions are still paying the maximum \$100 in capital tax, but there's a provision to repeal this section at some future date, which may result in increased capital tax liability for our credit unions.

At this time, Madam Speaker, I'll take my leave and sit down.

THE ACTING SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you, Madam Speaker. It's always a bit of a challenge when some bills come up as opposed to others. Certainly this bill is not within my background, but some reading I have done on it. So I just have a few brief comments, I'm sure the Assembly will be pleased to hear.

AN HON. MEMBER: Brief?

MRS. SOETAERT: Very brief. I have just one concern, and I know that we will be bringing forward amendments. Maybe, in fact, the government may bring the amendment forward themselves. One of the things that I see might be a concern is that under this Bill 28 we could see ATB pay capital taxes and credit unions pay more than the \$100 maximum, and that change could happen just through an order in council.

We all acknowledge that we like to move towards a level playing field for financial institutions, but to me this would be a significant tax policy change for the ATB and the credit unions. It probably should be, in my humble estimation, introduced as separate legislation so that it can be debated in the Assembly and not just an order in council and have it done and most of the people in the province don't know that it's happened.

I realize that this piece of legislation will in a way make it more efficient and streamline some things with the federal government. You know, we recognize the need for provincial corporate tax legislation to parallel and reference the federal income tax in order to streamline. One of the issues that I'd like to raise is whether there are any steps being taken by the government to harmonize the collection of corporate income taxes under a single collection agency. That is one area that people may look at streamlining. So I leave that question with the sponsor, and maybe he can respond at committee stage.

To me it would seem that there would be costs of compliance and administration for both the provincial government and the financial institutions, the sector where there is a lack of co-ordination on the application, the capital tax base for financial institutions between levels of governments and between provinces. There have been several recommendations throughout the years about how to streamline the workings between the province and the federal government. In fact, the Canadian Bankers Association recommended that they combine the Alberta capital tax return with the federal large corporations tax return to reduce the administrative and

audit costs to government and alleviate the compliance burden and costs of business.

KPMG has prepared a report, and they suggest that in the interest of simplicity some effort should be made to harmonize the federal LCT and the provincial corporate taxes. A further report by Coopers & Lybrand said that a lack of federal/provincial harmonization on capital taxes leads to undue complexity. So we recognize the need to preserve the integrity of the capital tax base to reflect changing business practices as it relates to the application of long-term debt and capital properties by financial institutions.

I am wondering: have there been any studies prepared by Alberta Treasury that confirm that this will be revenue neutral? Just a question that I have, because it has been said that this will be revenue neutral. I'm just wondering if that is a statement or if it's actually backed up by some study or some hard fact.

I also am wondering if the Treasurer has done any consultations with ATB and the credit union system as it relates to how it will affect them in this act. So I'm wondering if the Treasurer has consulted with them, if they are aware of these possible changes that could happen by order in council rather than happening through the Legislature.

3:30

I would like to just finally say that I am hoping that in Committee of the Whole the Treasurer may bring forth his own amendment which will address our concerns about changes for the ATB and credit unions happening by order in council rather than coming through the Legislature, because that is quite a policy change from the way they have been working so far.

So with those few concerns and a little bit of homework done on my part, I look forward to hearing comments from the Treasurer in Committee of the Whole and hopefully some of my questions being answered. That would be quite a concept in here.

Thank you, Madam Speaker.

[Motion carried; Bill 28 read a second time]

Bill 32

Assured Income for the Severely Handicapped Amendment Act, 1999

[Adjourned debate May 6: Mr. Lougheed]

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

MS BLAKEMAN: Thank you very much, Madam Speaker. I'm pleased to be able to speak this afternoon to Bill 32, the Assured Income for the Severely Handicapped Amendment Act, 1999. I've actually been waiting to speak to this bill, so I'm pleased I finally got a chance to get up.

The components of the bill include introducing asset testing for the AISH program, shifting the focus of the program to a fiscal focus with asset testing. It is recommending that family size be considered both for benefits and for asset testing. It may provide extended health benefits. It's allowing the government to subrogate for maintenance, and it's changing the financial responsibility for recipients unable to manage their own affairs from a trustee to a financial administrator. Finally, I think, it allows for the recipient to participate in employment and training initiatives.

As always, with bills I ask myself: is there a problem in Alberta society that we need to address? I think the answer to that is yes. Certainly from the conversations that I've had with constituents of Edmonton-Centre that are involved in the AISH program, they were looking for ways and are very frustrated about the limitations of the

current act because in particular they wanted to be able to volunteer. The people that I've spoken with were not able to hold down a 9 to 5 job, Monday to Friday. Their physical limitations would not allow them to do that, but they did want to contribute to society. They would like to be able to volunteer, and under the current expectations of the program that was difficult.

I know that some of the constituents in Edmonton-Centre were also interested in working when they could. Again, it wouldn't be 40 hours a week, Monday to Friday. It was going to be patches here and there, maybe contract work, some sort of very flexible part-time work that wasn't nailed down to a specific time slot, but there was no incentive to be doing that. So we were looking for legislation.

As well, my understanding is that through regulation around this amendment act the benefit amounts were to be raised, and that is very important to the people in Edmonton-Centre that are on AISH, and they certainly want to see that part of it happen. So, yes, I think there is a problem.

Well, the next question is: is legislation needed? That's arguable, and I'm sure you will hear many debates as this bill passes through second reading and into Committee of the Whole, because I think a number of things are possible now according to what I read in the original Assured Income for the Severely Handicapped Act. In fact, it doesn't preclude them. It's not specifically written that they could not volunteer or that they couldn't work. So I think there were ways to address some of the problems that have been identified to me without creating new legislation and, specifically, without creating this legislation.

I note that when the minister introduced this legislation, there was the idea that some people who were participating in the program in fact had a large asset base and this is why the minister felt that it was important to introduce asset testing, which is a good part of what this bill is about. But when I look, figures that I have seen say that out of the 23,000 cases of people eligible for and currently on AISH, only 122 have assets over the \$100,000 level, which is a little over 5 percent of the total 23,000. It's interesting, because as a legislator but also in my previous life I think I always tried hard not to develop programs or to change programs that would really affect and even affect negatively a large number of people in order to limit or stop a small number of people. So here we have an act that's been brought in about asset testing.

Who would be captured in that asset testing that would not be allowed to participate in the program then? Five percent. So 95 percent of the participants in the program are going to have to go through the asset testing and be subject to the other changes that are being proposed in this act for the sake of the 5 percent. I always have to question at that point: is this really the best thing, that for 5 percent we are making 95 percent change their lives or many other things that are involved in that? So is this the right legislation to address the problems that have been raised?

I will listen with great interest to the rest of the debate and the responses from the minister, and hopefully we can engage some of the hon. members from the other side. My feeling at this time is this is not the right legislation, and I'd like to go through a couple of points there.

If the government truly is concerned about the seven millionaires that the minister mentioned when he introduced the program to the media or even, I suppose, about the 5 percent, then I would respectfully suggest that they develop a policy that would deal specifically with those seven millionaires or with the 5 percent rather than develop a program which captures now everyone on AISH and, as I said, subjects the 95 percent whether they like it or not.

One of the things that I have already spoken about is that a number of people in Edmonton-Centre wish to volunteer to contrib-

ute to society. In particular, we have an interesting dilemma, I guess you could call it, where a number of people that are living with HIV or living with AIDS are in my constituency. With the advances in pharmacology we are now able to find drug treatments for a number of people suffering from these two syndromes. They are living longer, and as they look forward to a long life, they're going: well, I'm not going to have a healthy life; I'm going to be as sick as I am now and slowly get sicker, but I would still like to contribute; I'm not going to die quickly; I do want to do something for the community around me. So that is an important component, and in fact that would be enabled by this legislation, I believe. That's something that I personally wanted to see. I've written to the minister suggesting it, and I value that portion of the legislation.

3:40

Now, once this program comes into place, if it does, I believe the minister has said that there would be transitional health benefits for one year after a client becomes employed and leaves the AISH program. I'm a little concerned about what happens after that. The people that I've been working with and that I've met with in my constituency – and perhaps that's different for others, but I would find that hard to believe. One year isn't a lot of time, and given that we're dealing with health concerns here, yes, they can go back to work. If things go well, great.

If they don't go well, they'll only have backup health benefits for a year, but I think for any of us that have worked with or perhaps been a victim of a debilitating health problem, you know that you still need to be looking beyond next year, to the year beyond that and the year beyond that and 10 years from now. Where are you going to be? I know it makes people very uneasy that they would essentially be on their own after that first year, and there's a lack of long-range planning there that I find very troubling, and I would like to see what the minister can suggest or perhaps amendments that could be made to address this.

Now, the minister talked about five macrochanges to AISH and the assured support program: one, "reduce barriers that discourage people from working"; two, "connect people to appropriate work or training, based on their abilities"; three, "make benefits more responsive to family size and specific needs"; four, "consider family income and assets as a factor in determining eligibility"; and five, "focus more on abilities." There's one that jumped right out at me, and I'll just bring that up now. It's the third one: "make benefits more responsive to family size and specific needs." I'm wondering what is envisioned behind that. I'm a little concerned that there is an opportunity, an opening, a window there for reverse discrimination.

You see; this program used to be a universal program. In putting asset testing in place and dropping the universality, we are now very much focusing on the exact disability of a person, and there's no universality to it. It's turned into a financial program rather than a social program that was there to help any person who qualified on the basis of a handicap. Now they qualify on the basis of a handicap and their financial situation and their family size and their specific needs. There are a few things in there that worry me a bit.

Now, once the client or the person on AISH has proven the ability to work, I don't see anything stopping the government from setting that as the level for which the client must constantly strive, and again I'll refer back to the people that I mentioned before, those that are HIV positive or living with AIDS or living with HIV. Their medical condition is never going to get better, and to benchmark them at that point, they are only going to fall below that, and that may well be true with other medical conditions. I'm not familiar enough to speak to that, but I can speak to this one. It benchmarks them at that level, and they're supposed to try and stay up to that level, but we know at

this time they're not going to be able to. They will get sicker. What's in place there? The second thing is that it's allowing the government to – and you can choose your word here – force, encourage, cajole, whatever, people to go into employment programs, and this is very similar to what happened to the people on the welfare rolls, where that cut down.

Now, I'll tell you why I'm concerned about this. I can remember people phoning me. This was particularly a rural issue at the time. When the SFI program was put into place, people were told: that's it; you're capable of working; you must attend this job training program.

I'm remembering specifically women who phoned from rural areas and said: "I have no way to get there. I've now been told that I must attend a class in the west end of Edmonton. I'm living in Tofield, just 45 minutes out of Edmonton, and I don't have any transportation. I'm on social assistance. I'm a single mom with children. I don't have any way to drive that distance to get to the nearest centre." When she tried to explain that to the staff, she was told: well, we'll arrange for that. Then she got a phone call saying: you are to get in a car with so-and-so, who's also attending this same course from the same area. At which point she phoned me and went: "My God, what am I supposed to do? I'm being asked to get into a car with a perfect stranger that I don't know, and I'm not comfortable doing this. But if I don't do it, they're going to cut off my benefits."

So I think there's a question there or a caution, perhaps, that I'm giving you to be very careful about those requirements of the job training around rural mobility and transportation issues. That's a concern, and we need to be very flexible in this province, because we do have quite a diversity now between a rural population and an urban population.

Now, I've spoken a bit about this before, but we do have a change. Before, in order to qualify for the program, a client needed to prove their severe handicap, and providing that the family income was below a certain level, they would receive benefits. It was pretty much a universal program, and the program was income based. Now what we're moving to is the original requirements plus the addition of a needs and assets test. This changes the program from its original intent of being an income guarantee program to being a welfare type program. So it's changing the whole game.

I'm wondering if we could be seeing a situation, for instance, where if a client's spouse refused to participate in employment training or work, then the whole family could get cut off. What's brought this to mind for me is we now have a requirement with SFI that a single mother must return to the workforce when the child is six months old no matter what's going on there or what other requirements, what other flexibility is needed. I'm wondering in this instance, then, if we are going to be requiring both the person on AISH and the spouse – who's to be the caregiver for other members of that family, if that's a requirement? I mean, please, I hope we do not end up in a situation where there's now a government program that sends caregivers into homes because we've now sent the AISH recipient and their spouse out to work. That would just strike me as ridiculous. I think we need to look at what we learned when the SFI program was put into place and how some of the rigidity of the regulations caused those kinds of problems, and here's another example of one that could jump up and bite you.

One of the observations that I've made in a number of decisions that I see this government make is the idea of universality and destitution, and that is that we used to have a number of universal programs. Indeed, probably the wealthier people didn't in fact need that little bit of whatever they were getting from a certain program, but you know, they would use that money. It would get recirculated

into the community. Many other people did need it and did make good use of it.

3:50

What we have now are programs that require destitution. In order to qualify, you have to be destitute. You have to have very few assets. You have to make yourself that; you have to bring yourself down to that level. Then how on earth do we expect them to rise back out of it? I'm particularly concerned because in this case, where we are instituting asset testing for people, we are essentially asking that they use up their pension. AISH ends at 65. Let's say you have someone in this program that has \$120,000 in their bank account or in trust funds or something and we say: no, you're off; you've got to use up all of your money until you get AISH. Okay; fine. They use up that money, 120,000 bucks. How long is it going to take them? Six, seven years at \$20,000 a year. Then they have nothing. They are flat broke.

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

Point of Order Questioning a Member

DR. OBERG: A point of order, Madam Speaker. I'm sitting here trying to be very nice and do my work, but I would like to ask the hon. member a question.

THE ACTING SPEAKER: Then, hon. minister, that is not a point of order. However, you can ask the hon. member will she in fact take a question.

MS BLAKEMAN: I'll take that as asked. I appreciate the interest shown by the member, but I would like to conclude my comments, and we can certainly talk afterwards.

Thank you.

Debate Continued

MS BLAKEMAN: That is my concern. If we create a position where handicapped people, or people with disabilities, have had to use up all of their assets, they end up back on AISH eventually. They hit 65. Now they have nothing: no RRSPs, no extra savings, no extra money. Now they are senior citizens with a disability who are only – of course, not much work in there for CPP contributions – likely to have OAS and GIS, and no additional assistance for them if they are a senior with a disability.

My time has run out. I'm sure that the minister is going to respond to me now, and I look forward to further debate in Committee of the Whole.

Thank you.

THE ACTING SPEAKER: The hon. leader of the ND opposition.

MS BARRETT: Thank you, Madam Speaker. As the minister sponsoring this bill is in the House, if at any time he does have questions of me, I'd be glad to sit down. Also, I have some questions, and if at any time he wants to hop up for clarification, please do.

MRS. SLOAN: It's too nice of you.

MS BARRETT: Well, I am very nice actually. I'm very nice.

One of the things that concerns me right off about this bill is that

there's a part that's missing. I think I'm right, in reading this, that there is no reference to the rapid reinstatement that the minister cited for people who not only might be disqualified on a temporary basis from AISH because of their assets being above a certain limit but also in terms of those who choose to try to go off AISH, try to go to work, find that they may or may not be able to, and if they're unable to even on a part-time basis, need to get back on AISH. How quickly would that rapid reinstatement happen? Was I mistaken? Was it supposed to be in the bill, or was it a government policy, or is it meant to be in regulation? So that's my first question.

A second observation is that I wonder if the minister would be open to putting in an amendment which would allow indexation of the asset threshold that is cited, because what occurs to me is that with each year inflation eats away at that asset level. Unless indexation is part of the bill, what you're really saying is: yeah; right now you can have \$100,000 worth, but two years from now it might only be \$98,000 worth, and five years from now it might be \$90,000 worth. If you haven't indexed it in the legislation, then presumably you've got to come back to the Legislature to get that approval, which I'm sure would be agreed to, particularly by the opposition.

Then the question remains: would the government do that? I'm not so sure that it would, because the direction I see governments going in lately is to try to get out of financial obligations, not to measure up to them. So I do hope that the minister would be open to indexing the threshold. As well, I don't know how this could be done in legislation, but I certainly hope there are no intentions by the government to quietly decrease that threshold in the future.

Now, I know that the minister was engaged in another conversation while I talked about the rapid reinstatement policy that he – oh, you did get it. Okay. Thanks. All right. I'll look forward to the minister's comments then.

Just another few concerns, Madam Speaker. Given that persons who are receiving AISH would be much more likely to have to give up their homes due to the inability to maintain them and given that the amendments to the act state that the principal residence is exempted from the assets used to determine benefits, would it not make sense to allow the funds from the sale of a principal residence to be placed into a trust fund or similar financial vehicle to provide for the purchase of a new principal residence or to pay rent, condo fees, and so forth? I see the minister is nodding, so maybe I can look forward to a lot of this stuff being addressed in regulations at the end of the day, because that's my ultimate concern, just how much is being left to the regulations.

Seeing as how I have the floor anyway, I'll just make another few points and look forward to the minister's response. For example, when a recipient determines they can no longer maintain their principal residence and the sale creates total assets of over \$100,000, this automatically disqualifies the recipient for AISH benefits, at least until money is spent to bring that fund under \$100,000, even by so little as one penny. Well, if it's acceptable to have the benefits while the recipient owns the principal residence, does it not follow that the sale of such should allow the recipient to place the funds in trust to pay rent, condo fees, taxes, et cetera, and continue the AISH benefit? In the case where a recipient moves to a less expensive home, the excess proceeds from the sale of the first home could be held in a similar form to pay for modifications and upgrades without affecting the AISH benefit.

You know, completely on a sideline – no. It's okay. I know the answer to the question I was about to put.

The way the amendment is currently structured, the person who has saved part or all of the \$100,000 asset exemption is penalized when their principal residence is sold. The person who has no assets is allowed to keep the first \$100,000 while still retaining their AISH

benefits. I think you can see the convolution and complication here.

I'm not a rocket surgeon, as the sponsoring minister referred to one of the opposition MLAs. He just said that it doesn't take a rocket surgeon to figure out such and such. Well, I'm not sure I'm going to have all the solutions to fix this bill, but you can see the difficulties that it is encountering, and they're logical difficulties. I don't think it's too difficult to amend the legislation.

The current amendment would also create the situation whereby a recipient would be forced to use up the value of the principal residence sale over and above the \$100,000 total limit until their assets fall below \$100,000, and then they would return to AISH benefits. Well, given that the amendments accept the principal residence as an exempted part of the asset determination equation, should the proceeds of the sale of that principal residence not be treated in the same way? The bottom line is that it should be possible for an AISH recipient to maintain the \$100,000 in assets and to have a method whereby the sale of a principal residence would not become an economic disaster but rather a positive step towards continued independent living.

I feel obliged to make one other comment about AISH. It may seem unrelated, but, believe me, it's not, and it's not unrelated to this bill. I'll refer to a letter – and I know the minister remembers sending this – sent to me by the minister on November 12, 1997. I'll just quote part of it, starting on page 2: to this end we are in the process of implementing a request for a proposal to hire a physician to assist with the AISH application process; as a consultant the physician will review the client's medical information and provide feedback to the AISH administrator in determining eligibility. Signed by the minister.

My concern about this is that it establishes a model frighteningly similar to what's gone on at the Workers' Compensation Board. Now, the Workers' Comp. Board has its own physicians, and what they do as a matter of routine – and I do mean routine – is they say to an X-named applicant: "We are not accepting your own doctor's assessments. We don't care if you've gone to see a specialist, been referred to a specialist by your own doctor. We're not accepting their observations about your state of health, your injuries. You're going to come and see our doctors, and our doctors will determine whether or not you qualify." Inevitably they're declared ineligible for benefits under the Workers' Comp. program.

This is a long battle with me, long, long, long before I even got elected. God, I was a researcher here and I was fighting this issue, and it's just got worse over the years. Well, I just hope that it is not the plan of the department to implement a model like that for AISH applicants. Lord knows, if they're handicapped enough to have to apply, they're already dealing with grief, probably lifelong grief.

I look forward to the minister's comments. Thank you very much.

4:00

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

MR. MacDONALD: Thank you, Madam Speaker. I, too, am looking forward to making some comments regarding Bill 32 this afternoon. I've listened with interest to other hon. members and have certainly read a great deal about this issue in the last several months. I have been visited many times by people in my community who are very concerned about AISH and these proposed amendments. However, we should consider ourselves lucky, all hon. members in this Assembly, to even be able to entertain this debate. There are not many provincial jurisdictions in Canada – I believe this is the only one, as I understand it – that finance a program of this nature, and it is a worthwhile program. There are many people who benefit from this.

Now, I don't know if the benefits are significant enough – that is

not the issue – but it is a very important issue with constituents of Edmonton-Gold Bar. They feel the bar should be raised a little higher with AISH benefits because many of the people who are clients have difficulty, physical difficulty, and they may need a little bit more money, whether it be for devices that will assist them to live more comfortably or for special diets, whatever. This is essentially a good program, and I want to see that it continues.

I realize this is an introduction of asset testing for the AISH program, but we have to be very careful when we discuss this because there are things, as I understand, that don't count as an asset, and this is very important. I think it's something we need to talk about, because when people come to the constituency office, it is usually people who have a disabled son or a disabled daughter, and they are worried. They've been following with interest, as we all have, the debate, and they're concerned about what is going to happen to their child whenever they pass on. This has caused a great deal of stress.

As I understand it, the things that are not going to count as an asset in this detailed view is the home in which you live, including furniture and appliances; the home quarter of a farm; vehicles, a car or truck plus a vehicle adapted for disability; insurance settlements to replace damaged or stolen property; cash or assets from government compensation for persons infected with HIV through the blood supply; payment received under the federal extraordinary assistance program; sterilization compensation; victims-of-crime compensation; Japanese Canadian redress payments; certain assets held in trust; bankruptcy proceedings; or money held in trust for a dependent minor. If in due time the hon. minister could define "certain assets held in trust," I would be very grateful.

These are the things now, Madam Speaker, that count as an asset: cash or cash-equivalent assets, those that can be easily sold or cashed; investments, stocks, bonds, shares, RRSPs, mutual funds; loans owed to clients; property, and this includes either land or buildings; extra vehicles, including recreational vehicles or other things owned by you or your spouse; business or farms, commercial farms, shop or farm operations to earn an income; and trusts, property, or money legally assigned to someone to use for an AISH client or their family.

Now, this is the question I have also regarding these trusts. This is the big concern that some parents of disabled children in my neighbourhood had. I will be listening with interest, and I believe I will be providing copies of *Hansard* to these people as to what the minister's response is.

But generally we need to talk about Bill 32. This amendment has been introduced to change the AISH program, I understand, from an income tested program to a welfare-type asset, income, and needs tested program. Before, in order to qualify for the program, a client would have to prove their severe handicap, and providing that the family income was below a certain level, Madam Speaker, they would receive benefits. Therefore, we can certainly say that this program was income based.

Under the proposed changes in Bill 32 the program would maintain the original requirements with the addition of a needs and asset test. This is what's new, and this is what's creating all the interest, creating all the controversy. These changes take the program from its original intention of being an income guarantee to a welfare type program.

Madam Speaker, it also has the intention, under the guise of allowing the disabled to participate in the community, of forcing AISH recipients to work to their full capacity in order to qualify for benefits. With the introduction of the family unit for consideration of benefits, the flip side of this change is that the spouse is also governed by employment requirements. In other words, if a client's

spouse refuses to participate in employment training or work, the family unit can be cut off the program. This is the same format as found in current welfare policies.

Now, whenever we're talking about asset testing, when this whole idea was introduced, there were complaints that there was no public or stakeholder support, that this was based on an ideology. There have been some surveys done, and my hon. colleague from Edmonton-Riverview – in a few minutes I believe I'm going to talk about the survey that she and her staff conducted. The results of this survey can be gotten from the hon. Member for Edmonton-Riverview. She will be glad to provide all hon. members of this Assembly a copy of this very informative research project. She took this on, and she did a very, very good job analyzing the data.

The disabled community have fears about asset testing, and I believe these fears have some justification. I don't know what is going to happen with this bill, but the hon. Member for Edmonton-Highlands spoke about more and more regulation. I have a concern about that as well. Major changes that can be regulated by the minister include the definition of "severely handicapped," the definition of "assets." Whenever the hon. minister gets his opportunity, I'm very anxious to hear his definition.

Now, any definition that is not outlined in the act I understand can also be done by regulation. There is the determination of fair value of assets. I would like to hear the hon. minister's views on that, as well as the determination of the reinstatement process for those recipients who are cut off the program.

Additional concerns that I see centre around the sweeping powers of the director and the minister. The director represents the program; therefore, all provision of authority is given to those administering the program through this method. In essence, Madam Speaker, the program will have the authority to pay AISH benefits to a third party to protect the client's interests; to cut the client off for many reasons, including failure to seek or accept employment, failure to disclose assets or income; to determine the amount of income a trust fund should generate; to determine fair market value in the determination of assets; to determine the value of assets that were disposed of to determine continued eligibility; to refuse benefits to an immigrant should their sponsor be deemed financially able to support the client; and also to allow the program to appoint a financial administrator to ensure that benefits are spent appropriately.

4:10

Now, this may work well for some, but this authority provided to the minister through regulations can be of some concern, Madam Speaker. Other than the obvious ability for the minister to regulate the changes as reported in this document, it also allows the minister to designate facilities as well as to provide the definition of "institution" for the purposes of the act.

These are all concerns that hopefully, when the time comes, will be discussed in this Assembly, and Bill 32 will, once and for all, settle this issue and permit all the AISH community in the province to get on with their lives and not have to worry about these changes and these proposals and the significant impact they can and will have not only on their financial lives but on the lives of their families.

With those remarks, Madam Speaker, I shall take my seat and allow another hon. member of the Assembly to join the debate. Thank you.

THE ACTING SPEAKER: The hon. Member for Edmonton-Glengarry.

MR. BONNER: Thank you very much, Madam Speaker. It is a pleasure to rise this afternoon and speak to Bill 32, the Assured

Income for the Severely Handicapped Amendment Act. This is a bill that I certainly feel just has too many flaws in it to give it my approval at this particular time.

Now, when we look at the AISH program here in Alberta, it was instituted by the government in 1979 as a pension program for persons who were severely handicapped and who were unable to work. In September of 1998 we had approximately 23,000 Albertans who were receiving benefits from the AISH program. According to the Minister of Family and Social Services, 27 percent of these were due to mental disabilities and 18 percent were due to developmental disabilities. AISH is a regulated program which provides the same maximum benefit to each recipient. Everyone receives \$823 per month regardless of assets. So that certainly was a good income program, and I think one of the strengths of the program was that it was not asset tested.

When it was first brought up by the media that this bill was going to be introduced, I certainly had a number of constituents that raised much concern. Of course when we're looking at these people, they generally fall into four categories of disability. It could be for mental disabilities, physical disabilities, developmental disabilities, or learning disabilities that they require a program such as AISH. Now then, I like one of the quotes from one of the stakeholders that said: "These individuals are destined for a life of poverty without much hope of gaining." I wouldn't want to deny these individuals access to a few extras by limiting their assets. Of course when we look at \$823 a month, Madam Speaker, that isn't much.

Now, as I said, I had many calls late in 1998 when changes were first mentioned, and they continued throughout the earlier parts of this year. These were from people, for example, some of whom continue to this day to be regular visitors here to the Legislature because they don't know what's going to happen to them. These are extremely vulnerable people who can't make it in our workforce. They are also very, very concerned about the possibility of their benefits being lower now that it seems that everything in their lives right now is in that situation where the amount of assets they are getting certainly isn't increasing, yet their expenses continue to climb.

These, of course, are very vulnerable members of our society. So many things that they face are negative when it comes to looking at what's happening to them in society. They're looking, for example, at increasing costs in rent. They're looking at increasing costs in groceries, in their clothing. Even when I look at an apartment block that was in Edmonton-Glenarry and did cater to many, many people who were involved with AISH, what happened was that as the demand for housing in northeast Edmonton continued to grow and grow, this particular landlord had two rent increases in one year. The second increase was by \$65 per month.

Now, if that's what the market will bear, we certainly don't want to deny this particular person that opportunity to get that type of rent for his apartment. Yet at the same time, when you're on a limited, fixed budget of \$823 a month, one rent increase of \$65 per month is significant. In so many of these cases these people are forced to make decisions where perhaps they might only eat twice a day rather than three times a day. If they were forced to move, as a number of these people were because they could no longer stay in this apartment, then what they had to do was to come up with a damage deposit before they could get their old damage deposit back, so they had extremely difficult times here. Not only that, Madam Speaker, but for most of these people it again required quite an expense to get themselves moved, because they certainly didn't have the means to move themselves nor did they have the physical means to move. So in many cases they were looking at a few hundred dollars to hire someone to move them. Again, this put a tremendous stress on the meager fixed assets they had at that particular time.

As well, what I found in my many meetings with AISH recipients in Edmonton-Glenarry is that they're very, very proud people, and they want to do whatever they can to contribute to society. They certainly would love to have a job, but unfortunately even if they are capable of getting a job, the chance of them making any more than what they would receive on AISH is not there. Most of them would be in jobs at minimum wage. These would not be for eight hours per day or 40 hours per week; they'd be at reduced hours. So they do have this situation where they still are required to have some sort of top-up to their funding.

4:20

Then, as well, a lot of these people constantly are trying to find some type of employment. As I said, Madam Speaker, they wish to contribute to society, and for people with limited means or disabilities such as they would have, to send out applications requires the assistance of other people in the majority of cases. Even when they get their applications out, these people, again, are restricted to some type of employment which is reasonably close to where they live because their access to transportation is limited as well. So even if they were to get applications out to those people who employ around the neighbourhood and do get an interview, it doesn't take these employers long to realize that people on AISH do have limited abilities. Certainly when it comes to being hired, these aren't the people who will be on the top of the list. As well, these people, if they do have physical handicaps, of course are the most noticeable, so they do have a tremendous problem.

Now, I have another AISH recipient in Edmonton-Glenarry, and this person, even though he is an AISH recipient, does just a tremendous job in Edmonton-Glenarry working as a human rights activist. He will advocate on behalf of many people who are on AISH, and he is a tremendous volunteer who does a tremendous amount of work for free, because obviously these people don't work. He loves this type of work, he does a great job, and he has a disability which, if he were to go to work, he could possibly cause a great deal of damage to himself. What he is most worried about is that if he did go to work, because of his physical condition, his physical situation, he could become very hazardous to his fellow employees. So he will probably never work again, not because he doesn't want to but because he physically can't.

What I see here when I look at the asset testing this government is going to do – we saw or heard that there were approximately seven AISH recipients who were millionaires, and there was a tremendous amount of concern brought forward about these people. Now, I don't know if there are seven millionaires out there or if there are two or three or whatever, but our Member for Edmonton-Rutherford, who is very, very familiar with people who have handicaps, certainly explained to us one day in caucus about a person who was awarded \$150,000 in damages because of injuries sustained. These were a permanent type of injuries, and there was no time at all until this person did not have these assets. When you think that in many of these cases people do have to have their homes fitted for them, they do require different types of supports to daily living, then really, Madam Speaker, it doesn't take too much in order to use these up.

When I look at this legislation, it also brings a comparison to what I see so often with the Workers' Compensation Board. Now, in the Workers' Compensation Board what we saw with too many of our severely injured people is that with the assets they have, whether it be a house, whether it be savings, whether it be cars, whatever it may be, in too many cases these people are forced to use all of those assets just to try and survive, to get by, and they do end up broke.

So when we look at AISH recipients, it seems that this type of legislation here is bent on having them use up whatever savings,

whatever assets they may have been able to gather, whether it be something left to them by their parents or something they had before they were disabled or whatever. We reduce these people to such a low status. You know, when I look at some people that are receiving AISH benefits, they all say the same thing: no asset testing; being handicapped is punishment enough. I certainly have to agree with those sentiments, Madam Speaker.

When we look at the five pillars of change that have been proposed by this amendment act, it gives some people sweeping powers. I see this comparison drawn in here the same as I've seen with the Workers' Compensation Board. We have a case manager in the Workers' Compensation Board who has the power to overrule evidence supplied by specialists, medical doctors who are specialists in their field, yet we get a case manager who can overrule this. When I look at the five pillars of change here with the AISH program, this gives certain members sweeping powers over the lives of these people.

As well, when we look at these changes, these major changes are as follows. What they would do here is "reduce barriers that discourage people from working." Now, that sounds very admirable, and it is, until such time as we apply this to people and say: "You can work; therefore you are not going to get the \$823 a month. We think that you can work at a job at minimum wage for 20 hours a week. Therefore, that would roughly cut what we will pay you in half." Now, it wouldn't matter whether the person was working or not. Because somebody deemed that they are capable of working that amount, then their benefits would certainly be cut.

Another one of the pillars of change here is to "connect people to appropriate work or training, based on their abilities." Now, again, who gets to determine what the abilities of these people are? Are they realistic, or are we simply going to have people adjudicating in order to get these people off AISH? Again, going back to workers' compensation policies, what we see there is that the compensation board over the last few years has cut down the amount of time that injured workers are off. It makes me think that we could see the same type of situation happening here with people on AISH receiving benefits in that the focus could be to get people off AISH as soon as possible and, again, save this province money.

Another pillar here is to "make benefits more responsive to family size and specific needs." In many cases I think this is very good as well, because we do have situations where families suffer. I know one of the questions brought up today by the Member for Edmonton-Riverview: how, for families that make under \$30,000 per year, this puts a tremendous strain on the raising of those children and certainly puts them in a situation where they are going to face hardship.

The fourth pillar: "consider family income and assets as a factor in determining eligibility." The fifth one, of course, is to "focus more on abilities." When we start looking at that, Madam Speaker, we have to look at really what is being said when we read between the lines, because we have to look at all situations here.

4:30

If we look, for example, at the first pillar, the ability to work, there is nothing stopping some government bureaucrat from setting a level that the client must constantly strive for. It doesn't mean that they're going to be able to reach it, but it allows the government or a government bureaucrat to force clients into employment programs, much along the same format that allowed Family and Social Services to cut welfare rolls from 90,000 in 1993 to 35,000 in 1998.

When we look at the third pillar, "make benefits more responsive to family size and specific needs," and the fourth pillar, "consider family income and assets as a factor in determining eligibility," it

means that the AISH program would become asset, need, and income tested, which makes it a welfare program. This allows government to arbitrarily set rates and amounts with regulations. From every direction we have seen here so far, I am frightened that the \$823 that AISH recipients receive today would be cut.

Then we look at the fifth point, "focus more on abilities." The government is using the disabled community's own rhetoric to sell these changes to the public. A focus on ability does not mean that clients will be in a positive position. Rather, they will need to complete functional assessments, which will allow the government to set the level at which they will be required to work. Again, we are taking the degree of disability, and we could have situations that totally . . .

I'm very sorry that my time ran out, Madam Speaker. I have much more to contribute, and I do look forward to making more comments at Committee of the Whole.

Thank you very much.

THE ACTING SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you very much, Madam Speaker. I heard cheers from the other side when I stood up.

MR. HAVELOCK: You did not.

MRS. SOETAERT: I did, yes. West Yellowhead loves it when I get up to speak.

I am pleased to speak to this act, because I think all of us who work in our constituencies – and I know that's all of us in here – have certainly dealt with people who are on AISH and most certainly with families who are responsible for the family members who are on AISH.

I know we've heard the lines: "Don't give them a handout; give them a hand up. Employment opportunities are important." All that is very, very true. What concerns me a great deal about this bill is the asset testing. I think of the situation with Christopher Reeve, who, we all know, was the actor, the man, who was Superman. A great irony there actually. Of course, he lived in the States. He was in a riding accident and became a quadriplegic. In short order he was virtually destitute. If not . . . [interjection] Destitute means: with no money. [interjections] Madam Speaker, I love this place. It's just so good to be back on a Monday afternoon.

Anyway, within a short time he was destitute, and if not for his friend Robin Williams, he and his family would have been in a pretty desperate situation.

Now, we can say that this is Alberta and we have public health care, but we know that's questionable. It definitely is. It's a concern. It's a concern that people have. [interjection] I know that people jump to the defence. I think thou doth protest too much.

When I say private health care, everybody's up in arms, but we see situations of it like physiotherapy, something a lot of people on AISH need regularly. There we are, paying for physiotherapy; there we are, unable to access it across boundaries. So my concern with asset testing is that we can't read the future. No one can. We can all make guesses, some educated guesses, some based on research, but no one can truly know what will happen in the future. Sad to say, but \$100,000 doesn't really go very far. Even though people can keep their homes and their cars – one car, as I understand it – I don't think that accounts for the reality of extra care that people may need, certainly the extra health care people may need.

I also wonder if it may force families to be a bit dishonest. Imagine a parent who dies and leaves their children \$200,000 each.

Wouldn't that be something? Let's say he leaves three children \$200,000 each. Now, one child is maybe severely handicapped, maybe on AISH, an adult child. The rest of the family might say: "You know what, Mom and Dad? Don't leave any money to our sibling; leave it to us. Then she'll remain on AISH, and we'll just sneak her the money when she needs it." Can you see a family doing that?

DR. MASSEY: Yes. Sneakers.

MRS. SOETAERT: Sneakers?

Think of the logic behind it. Then their brother or sister will be taken care of. They will have a cushion for when they may not be around, because pretty soon it may be a niece or a nephew taking care of an aunt or an uncle who's on AISH. Pretty soon, where is that money? Hopefully in a family that honestly cares – and most would be that way – that person would be taken care of. But I think that sometimes when you look at asset testing, you may be forcing families to hide some things.

[The Speaker in the chair]

During this whole uproar, when some comments were made in the press by the minister and people were very concerned and I'm sure we were all getting calls in all of our offices, I got quite a few calls. I'd like to share two of them with the Assembly in case they don't realize the level of fear that is out there.

One was from a woman whose sister is on AISH. Over the years this woman has helped her sister to be very frugal with money. Any monetary birthday gifts the sister got she put in a special account for her, and eventually over the last 15 years she accumulated for her sister \$25,000. She immediately phoned me and said: "Is this going to be gone? Is this going to be taken away?" She had real concerns over that. She said, "Should I take that money and put it in my own account and make sure that they don't take that money from her, because I'll tell you, Colleen, I cannot support my sister."

This woman is a single mom supporting three children. Her sister is in a very good home, where she's being well taken care of and has some independent projects and some work experience things that she gets to do. She is very, very concerned that that \$25,000 now will disappear. So I've assured her that it is now \$100,000. "If this girl stands to inherit any more from a relative or a sibling," they said, "what should we do? Should we hide it and hope that someone in this family always manages it well for her and makes sure she has a little extra money to go shopping for those extras or to buy a little present for her friend on a birthday?" Those are little things that I think sometimes some of us take for granted. We do it easily, and we might have the extra 20, 30 bucks a month to spend as we please. Not so this AISH recipient.

So that was one of the calls with a real concern: a sister of somebody on AISH, responsible for her sister because the mom and dad are both gone and responsible for her own family. Lots of concerns about asset testing.

4:40

The other call I had actually quite surprised me, because it was, once again, a woman and her husband who were responsible for her sister. The sister had been sterilized years ago. The family had decided that it was in the best interests of the woman, and the family had agreed to it. They got called and were told, "Your sister will sue for the money that she's entitled to because she was sterilized." They said: "Wait a minute; that was our decision as a family. We agreed to that." They said: "I'm sorry; that's not your call. You're

her guardian, but we're her trustee, and we're going to sue." So despite what the family, the guardian, wanted, they did sue. The lawyers got a chunk of that \$100,000, I think around \$18,000 or \$19,000 worth and some other costs, and then the sister will receive, as I understand it, over a couple of years the rest of her money.

The woman was very concerned about that. Suddenly her disabled sister thinks she's very wealthy, thinks she can go on holidays every year, thinks she can spend money and do all kinds of things, and with that money she can. At the time, though, she was very worried that getting a \$100,000 settlement would disqualify her as an AISH recipient. Now, as I understand it from this, that will not be so. I hope I have that understanding correct.

It was interesting how they were coerced into suing. They had no say in the matter. Her sister got the money. Then she was worried that that was the plan all along: to get her off AISH. Now, that's not going to happen, as I understand this legislation, but it's very disturbing that that kind of thing can happen and be forced on families who are looking after their siblings.

A few other things about this bill I wanted to question. Until now this program has been kind of like an insurance policy. When people were suddenly hit with difficult situations – I think of a young man in my constituency who was in a car accident and had some brain injury. You know, he'll get a job, and then he gets angry and storms out of there. His behaviour isn't acceptable at times, and at other times he's just fine. He can't seem to find that balance, and he may never. The consistency isn't there. So he gets a job, and he goes off AISH. Then he loses his job, and he needs it again. I think this bill may help accommodate someone like that, so that part may be good. I've yet to see that in practice, but I'm willing to give that a chance.

I was saying that it used to be like an insurance policy. I think it's fortunate that none of us in here need that, but we never know when we or someone in our family may. So I have concerns about the change in attitude toward the whole AISH program.

It's interesting. The carrot kind of dangling out there so that people accept this bill is that people will get \$35 more a month. You know what? When you're living on 800 and some dollars a month, 35 bucks is a lot of money. I can understand why people would say: "You know what? This is good for us. Please pass it along. It looks good." Everyone in here knows that the \$35 doesn't have to be legislated. That \$35 can be done . . .

DR. MASSEY: It is.

MRS. SOETAERT: It is legislated this time?

DR. MASSEY: No, no, it's not legislated.

MRS. SOETAERT: It's not legislated.

So that's part of the program they're dangling; you know, that little carrot they're hanging out there. Actually, whether this legislation goes through or not, that \$35 will be available, I'm assuming, for all AISH recipients who qualify. So I am hoping that that is not confused with the act, that people are very clear about what is out there for them that is separate from the legislation.

I know that the disabled community like that opportunity to work, to be contributing to society. I think people are happier when they are working, whether paid or not, quite honestly. If you are volunteering at something, if you are involved in projects, if you have a purpose besides painting your fingernails, I think we're all focused . . . [interjection] Painting fingernails can be purposeful, but if we have a focus, something to do in the course of our day, I think it's very important. I know that the disabled community is enthusiastic about that contribution. They certainly give that in our society.

As a university student, a high school student, I worked in the summers at Camp He-Ho-Ha. It's called health, hope, and happiness.

MS BLAKEMAN: I worked there in the winter with the snowmobilers.

MRS. SOETAERT: You were the snowmobilers that came out in the winter. That was a good camp too.

You know, Mr. Speaker, what an opportunity. I think every young person who has the opportunity to work with disabled people gains an appreciation for what they have in their life and gains an admiration for those who rise above some difficulties.

I remember one young man from Wetaskiwin. His name is Lee Buzzard. [interjections] He's my friend. Lee rose above his disabilities. He has cerebral palsy. He's given speeches across this province, in the States, and has done marvelous things for breaking down barriers for disabled people. I remember that he once came to a classroom that I was teaching in. The kids, a group of high school students, had to really listen to him. I think they sat back and learned a great deal from him. He isn't easy to understand, and you have to listen carefully to catch his wit. I think what he showed my students in that talk was that if he can rise above his disabilities and if he can contribute as much as he has to our province and to Canada, then certainly those little problems like a clutch going on a truck or simple things like that, which we think are overwhelming in the course of a day, truly don't count for much when you look at somebody like Lee Buzzard.

4:50

In fact, Mr. Speaker, something interesting this weekend, which maybe doesn't have much to do with the bill but certainly has a lot to do with all of us thinking about how we best serve and how the people who have disabilities in our community best serve us, was the movie called *Simon Birch*. If anyone here ever has two hours in the next little while – I know sometimes lots of us think we'll never get two uninterrupted hours – that's a movie I'd recommend for anyone.

MS BLAKEMAN: Read the book.

MRS. SOETAERT: Some people say the book, *Owen Meany*, is far better, but I know that certainly for all of us, for school-age children, that's one movie they should see, because it teaches us a great deal about the gifts that we're given and how we use them.

I realize that my time is drawing to the end. I have some real concerns about this bill and, as a last statement before my time is up, real concerns about asset testing. A hundred thousand dollars, sad to say, doesn't go very far in this day and age, especially when you're talking about the expenses of being disabled. There are extra expenses. We shouldn't be blind to that fact. That's a reality. Those of us who are fortunate enough to just run to work and get ready in the morning without any help, we're very fortunate. We should be thankful for that and, while we are, appreciate that not everyone has the same opportunities that we do.

As legislators, if we want people to get a hand up instead of a handout, we have to make sure that we properly address legislation that will affect them, that we look at the difficulties of asset testing and what it will mean to families who may be in difficult situations because of this.

Thank you, Mr. Speaker.

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

MR. GIBBONS: Thank you, Mr. Speaker. I'm pleased to stand today to talk about this bill, Bill 32, which is the Assured Income for

the Severely Handicapped Amendment Act, 1999. I know myself that there are a number of cases that I've worked with through the office of people looking to go on AISH. You know, I've got to admit that I have turned a few people away because I felt that they were coming through the office . . . Just something that bothered me. But 99 percent of the people that came through the office that I've worked with I really feel are due to be on some kind of coverage, and AISH was the one that I fought to get them on.

They're people that really cannot do for themselves. These are people that don't even understand, actually, the concept of money. I look at their cases, and I work with them. With my constituency I have an awful lot of social problems, but the few that did come through the office on AISH, my heart really went out to them, and I really felt that we did a wonderful job in helping them get on AISH.

According to the government's calculation there should be an immediate cost saving of \$14 million with the removal of 1,500 AISH recipients from the caseloads with the implementation of a \$20,000 asset testing. In reality, the long-term saving would be higher if the programs were frozen, as clients would continue to leave the program through attrition.

I wonder why we're caught up in this. I really, really worry when we get into looking at people who are at this level of income, this level of need, that they need a system, a government that doesn't just look at the bottom line but looks at how to take care of people like this.

Asset testing is a politically sensitive issue, as the spectrum of opinion varies according to personal experience and values about disabilities. In this particular case, if we feel that we're above these people and we feel that everybody out there is cheating – what brought this to light was the fact that the department thought they had found seven AISH recipients who are millionaires. You know the system they used to bring this forward was nothing more than a true method of spin doctoring, something that they wanted on the table. They wanted to make sure that their bill was going to go through.

Recent information has come to light that these millionaires may not even exist. In fact, the sources, confirmed by the ministry, have not only been unable to discover three with assets over \$1 million, but, as well, no information has been provided despite questioning on how these proposed changes would affect these people. Of 23,000 cases only 122 have assets over the \$100,000 level, which is 5.3 percent. This level of investment is capable of generating \$823 in income and would require the client to fund himself or herself until a lower asset level was attained.

Now, if there are three or if there are seven people that have a million dollars' worth of assets, then let's work on the cases of those individuals. Let's take a look at the whole 23,000 cases and look at the percentage. The percentage isn't high enough to put everybody into the same category. There are a lot of people out there that wouldn't even have a clue about what a million dollars is or even \$20,000. They're living day to day. If you add it up, \$823 is a lot of money when you're multiplying by everybody.

In actual fact, what would these people do, and how can they work? You know, we look at Wendy's, and we look at so many other restaurant chains. There are lounges, places that hire people that are mentally handicapped, people that want to work. This segment of the public really, really wants to participate. They want to be just the same as the their siblings. They want to be able to go off to work. They want to be able to come home and talk that they went to work. I have a sister who has worked at Wendy's, who has worked in quite a few different places. Believe me; she doesn't know what the absolute dollar means. She rides DATS; she rides whatever. Would somebody hire her to do any other kind of work but what she does on more of a volunteer basis?

The general feeling in the public domain seems to be that AISH recipients should have an asset test but that the level at which they are tested should be generous to reflect the additional needs of the disabled. The overall sentiment is that if the government is concerned about the seven millionaires that I spoke about before, then it should implement a policy that will take care of these clients and take them off the system themselves.

There is no consensus that stakeholder and client asset testing should be incorporated or at what level the asset testing should be set. The disabled community is very enthusiastic about the opportunity to contribute. They really, really want to work. The motive of this government is questionable, though the provision to cut off the client due to failure to access employment has already been entrenched in the AISH Act. This disabled community only wants to be able to contribute to life, not to just be able to sit around and vegetate in front of a TV or vegetate somewhere. They want to be out in public; they want to be part of the system.

The Minister of Family and Social Services stated that there will be a transition of health benefits for one year after the client becomes employed and leaves the AISH program, but there is no consideration given to what will happen after that year. Believe me; the cost to our public health and making more and more people go back onto welfare for just arguing over the fact of how many people should be on the AISH caseload – it is really, really scary that we are even standing here or sitting in this Legislature looking at a bill that is so poorly put together.

5:00

No private health insurance would provide service due to pre-existing conditions. Well, that is really true, because these individuals in most cases are under our system. Our public health is very, very important and something that should be treasured in Canadian life. We're looking more and more at privatization of health and . . .

MRS. SOETAERT: Yes, that's expensive.

MR. GIBBONS: Very, very expensive, and the fact is that with the health system in its new mode – if this government will ever get into a plan of what they really want for it, then I think this segment of our society will be the ones that will be hurt. You know, we look at the pillars of change. We look at quite a few different items, but I would look more at how we should direct ourselves and what should be amended. We as a caucus on the opposite side from those who put this bill forward suggest that this amendment has been introduced to change the AISH program from an income-tested program to a welfare-type, asset, income, and needs tested program.

Before, in order to qualify for the program, the clients would need to prove their severe handicap and provide that the family income was below a certain level. They would receive benefits; therefore the program was income-based.

Under the proposed changes the program would maintain the original requirements with the addition of needs and assets testing, which is new. This change takes the program from its original intention of being an income guarantee to a welfare-type program, and you know, we always run from the words welfare-type program. But here we are; a whole program is being pushed toward it.

It also has the intention, under the guise of allowing the disabled to participate in the community, of forcing AISH recipients to work to their full capacities in order to qualify for benefits. With the introduction of the family unit for consideration of benefits, the flip side of this change is that the spouse is also governed by employment requirements. In other words, if a client's spouse refuses to participate in employment training or work, the family unit can be

cut off the program. This is the same format found in the current welfare policies.

It also introduces asset testing, which has no public or stakeholder support but is based rather on a conservative ideological idea. Opposition surveys, the results of which can be found in what we have already put out in the public, are around – we looked at different items, and the hon. Member for Edmonton-Riverview, who is the critic from our side, actually put out different items and questions on this one.

One of the questions: "What factors motivated you to become involved in this consultation process?" This is to the clients. The largest item on this, at 33.1 percent, was "fear, concern, Journal article." Now, when this was all being put out around Christmastime and the public heard about it, I had a number of phone calls to my office, and they were asking me: "What's going to happen? You know, this isn't an awful lot of money that I'm making. If I have a thousand dollars in the bank, is this going to interfere with this particular item?" Other people talked about the fact that they maybe have \$20,000 in the bank. Are they going to be affected? Going back to when it first hit the media and the spin doctoring that was actually done, this is why most people were concerned. They were fearful of what actually was being pushed upon them.

The next one is: "Friend, related to AISH recipient," actually contacted and let them know about it.

Another question: "How would you rate the information provided by the provincial government around the AISH review?" It was very outstanding what was actually around this. "Poor" was 83.4 percent of the response; "confusing," 3.5. When it came down to "no answer," it was only 1 percent.

Another question around this was: "What areas of the AISH program should be reviewed and what type of change would you like to see in those areas?" "Benefits review" was 30.5. "Flexibility" was 14.5. "Eligibility requirements" was 13.6.

Another question: "Do you feel AISH is adequate as an income support? Have you experienced any challenges around the funding?" The answer on this one with the highest percent was "No, it is inadequate," 68 percent. "Yes, it is adequate" was 23 percent. "Unclear answer" was 9 percent.

This goes on and on with different questions, and they're all relating to recipients really concerned about where they'd fit into what the government or the Department of Family and Social Services is actually pushing for.

One question: "Should AISH recipients be cut off the AISH program if asset testing is introduced?" Seventy-one point three was overwhelming "no"; 9.9 "yes, depending on asset level." You know, these are very interesting answers, because these are coming from people who are actually on AISH, and 9.9 "yes, depending on the level" – well, that's what has to be looked at. Not at the 23,000 and maybe 122 of those that are over \$100,000. They're the ones that are of concern. If somebody has a few thousand dollars in the bank or a car outside their house, should they be cut off?

Another question: "Will the new policy on ability affect current and future AISH recipients?" The highest percentage in this one, "Client should be able to work/volunteer if willing and able," 15 percent; "will force clients to work/be cut off," 12.4 percent; and unclear as to the question and so on was 14.7 percent.

Another question: "Do you think the proposed reforms will make it easier or harder to qualify for AISH?" An overwhelming 87.5 percent said "harder"; "not enough information to decide," 4.1 percent; and "unclear answer, no answer" is 8 percent.

Mr. Speaker, it introduces asset testing, which has no public or stakeholder support but is based rather on the answers coming from this government and the spin doctoring they've actually been doing.

Do we really want to go that direction now? It will allow many future vital aspects of this program to be changed through regulations. This is not the way that we're supposed to be governing this province. We should be debating, as we are right now, but at the same time this bill is really one that I don't feel should be in front of us.

Major changes that can be regulated by the minister include definition of severely handicapped. Now, it is very interesting that we also fight to get people on AISH and onto the program. Are the minister and the upper bureaucrats going to be there to decide on their criteria who's going to be there and who's not going to be? Any definition not outlined in the act, determination of a fair value of asset, as well as the determination of the reinstatement process for those recipients who were cut off the program: now, if we're going to look at cutting people off, are we going to also look at how fairly they are going to be looked at and cut off?

Additional concerns centre around the sweeping powers of the director and the minister. The director represents the program. Therefore all provision of authority is given to those administering the program through this method. In essence, the program has the authority to pay AISH benefits to a third party to protect the client's interest; cut the client off for many reasons, including failure to seek or accept employment, failure to disclose assets or income; to determine the amount of income a trust fund should generate; determine fair market value in the determination of assets; determine the value of assets that were disposed of to determine continued eligibility; refuse benefits to an immigrant should their sponsor be deemed financially able to support the client; allow the program to subrogate for the client, spouse of dependent child for maintenance; and appoint a financial administrator to ensure benefits.

5:10

Under quite a few different sections we're looking at assets, and these items all are very confusing to the point of: what does the department really want? Are they setting a figure, or are they setting governing rules?

Section 5.1 adds a new section to the Act which will allow AISH recipients to access employment or training programs. Now, if they are able to work or be retrained and if it's done fairly or it's not decided by somebody behind a desk that doesn't understand – I've been in front of a lot of people that wanted to be on AISH, and if you put the question in their mouth, they're going to answer it the way you want it. If you're actually doing some caseload work and trying to find out whether or not they actually do know the difference between what was last week or two weeks or three weeks or a month ago, a lot of these people have no understanding of time. The concept was an item that was not able to educate them because in most cases they're not educatable.

Section 5.2 clarifies the asset testing process, clarifies the definition of recipient, empowering the program to cut off the recipient who fails to disclose appropriate information.

Mr. Speaker, under section 13 the amendment repeals the current section outlining the authority of regulations and adds an entire new section. There's a lot of items in this one. It's to regulate the determination of the value of income generated by assets. Now, in a lot of cases anybody that has a will that's going down to a lot of AISH recipients, if they know that this is happening, then there are going to be different things happening from the family that are actually setting up trust funds for them and all these things. So I hope that if it's set out properly, it will save the government money by having trust funds that actually can be set up to help and not put these people under a method where they cannot exist.

At this time, Mr. Speaker, I'm going to take my leave.

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

MR. DICKSON: Thank you very much, Mr. Speaker. When I looked at this bill, this is actually a major concern in my constituency of Calgary-Buffalo.

MRS. FORSYTH: Oh, how many calls have you had?

MR. DICKSON: You know, it's interesting. I hear the Member for Calgary-Fish Creek asking how many calls I've had. I'm happy to tell her that I spoke with my constituency administrator today. She was saying that we have been averaging one or two people a day who can't find housing in Calgary, and a significant number, probably half those people, are on AISH.

So I view this bill through a couple of different filters. I can't help thinking, when I see Bill 32 and the recent changes that brought us to this point, of the comment that was made in a book called *Honourable Insults*, compiled by Greg Knight, MP. The comment was, and I quote: some politicians who change their views are accused of seeing the light; if the truth were known, many of them have merely felt the heat. Mr. Speaker, I think what we see in this bill is a politician, in this case the distinguished Minister of Family and Social Services, who has felt the heat. Has he seen the light? Well, if he had seen the light, one would have thought that we would be dealing with a very different bill than the one that's currently before us.

Mr. Speaker, in preparing for my debate on this bill, I wanted to reflect on some of the consultation that I had done. Firstly, meetings that were held: I had a chance to go to the VRRRI in the city of Calgary. I met with a client group there, a consumer advocacy group. When I walked into the room, there was a flip chart and an easel, and what one woman had written on the board was: \$823. We spent the better part of an hour and a half talking about how you manage to live in the city of Calgary, the city with the hottest rental market in the entire province and arguably one of the tightest markets anywhere in Canada on \$823 if the biggest chunk of that has to go to pay inflated rent.

So that was a very instructive session, and Mr. Speaker, you may remember after meeting with that group at the VRRRI in Calgary, I came to the Legislature and produced a copy of the notes from that meeting because I wanted to share it with the Member for Calgary-Fish Creek, who sometimes suggests that this isn't a big issue in my constituency, and with the minister and other members who may be interested. That's why I tabled it. So it's currently a sessional record where the Member for Calgary-Fish Creek is free to peruse it at her leisure, but hopefully before the vote on this bill.

The other way I informed myself was there was a meeting at McDougall Centre in about mid-January, and I think the Member for Calgary-Bow may have been there. I think there was one government MLA. The Minister of Health was in fact there to talk about mental health services, but it was just after there had been the leaked report on AISH reform, and most of the people there – it was a packed room. It was the big meeting room in McDougall Centre. You know it well, Mr. Speaker, and many of the government members know it. It was packed with people who largely were anxious to find out what was going on with AISH.

I felt some sympathy for the Minister of Health. I've often felt sympathy for that hon. member – first Minister of Education, Minister of Health. A decent man gets sent in to put the best possible face on mean-spirited government policy. As I was listening to the Minister of Health trying to defend on behalf of his colleague the Minister of Family and Social Services a position that was largely indefensible, it crossed my mind that in this province it

seems every decision by government is based on the cost, how cheaply any given service can be provided. I thought: you know, we do such a disservice to a province that is known for its generosity; we do such a disservice to a people who are animated by an enormous sense of shared responsibility and assistance.

I keep asking myself, Mr. Minister: how is it that Albertans who are so generous can end up with a government that is so mean-spirited and absolutely so focused on chiseling costs from people who are the most vulnerable members in our community? I've never come up with a satisfactory answer.

Then just last Thursday I managed to race back from the Legislature to Calgary, and I got there at 7 o'clock for a meeting at the Central United church in downtown Calgary. There were about 50 people in attendance, Mr. Speaker. Most of them were people on AISH, and some of their support workers were with them as well. They're very frustrated with this bill, and they were looking for some help in terms of: how could they make their views known? I offered some advice, including encouraging them to invite the Minister of Family and Social Services to be able to have that powerful experience I did of sitting and listening as we went around the table, people talking about the difficulty they have trying to live on an AISH pension.

Those three meetings I've referred to put me in mind of something I read recently when I saw the status report on the Premier's Council on the Status of Persons with Disabilities. This is a committee that you will recall well, Mr. Speaker, set up by the Conservative government at the time, by Premier Getty, and we've seen, I thought, very thoughtful and energetic leadership from Gary McPherson over a period of time, a well-respected advocate on behalf of the interests of people who need advocacy. In the AISH review the executive director, one Elaine Chapelle, shares with us some of the concerns that were identified by the council. I'm not sure this is anywhere in the record of the debate, and I wanted to mention a couple of things.

The council members apparently during a two-day meeting late in January 1999 developed this position. It includes the following: "AISH must be an Individualized Income Replacement Program based on disability." To the hon. Member for Calgary-Currie, I'm paraphrasing and not quoting exactly, but all members can access it. It's the February 1999 review, and I'm sure the hon. Member for Clover Bar-Fort Saskatchewan is going to be able to defend himself when the time comes. A belief that "that income support must be viewed as a right and an investment (not a privilege) necessary for some Albertans with disabilities." This seems to be contrary to the comments we've heard in this Assembly from the Minister of Family and Social Services.

5:20

It was further determined by the council there was support for "extended medical benefits and rapid reinstatement in order to reduce barriers that discourage AISH recipients from working." There was a determination: "the entire assessment process for employability needs to be reviewed." There was a belief that "clarification is required" as to the "assessment of ability" and "identification and implementation of training opportunities." It was concluded that benefits should be "'more responsive to family size' in order to more clearly spell out the implications." Further, there was support for "provision of additional benefits becoming available to AISH recipients to meet extra needs."

There was a concern – and this is key, Mr. Speaker. I particularly want to emphasize this if nothing else. The most important message I could impart would be that "considering assets in determining eligibility may severely compromise the original intent of AISH as an income replacement program."

It may be the hon. Member for Clover Bar-Fort Saskatchewan who stood and shared that information with us at an earlier stage in debate on this bill, and if he did, I'm not sure I heard him say it. Clearly, as the chair of the Premier's council, I would expect that would be part of his job. If I've misrepresented anything that was determined at that caucus meeting, I'm sure that member will stand and correct me in due course.

The other conclusion was that they had noted the existence of other support programs . . .

THE SPEAKER: Hon. member, there's been an interjection, a point of order.

MR. DICKSON: Thank you.

THE SPEAKER: Hon. Member for Clover Bar-Fort Saskatchewan, a citation, please.

Point of Order Factual Accuracy

MR. LOUGHEED: What is it, (h), (i), and (j)? The member is referring to a caucus meeting. This AISH review that is outlined in the status report did not take place in a caucus meeting but rather in the Premier's council.

MR. DICKSON: Sorry. I didn't hear the concern, and I didn't hear the last number of words he mentioned. I heard a citation. I wonder if he could repeat his concern, Mr. Speaker.

MR. LOUGHEED: Standing Orders 23(h), (i), and (j). The member alluded to the fact that the article here in the status report and the review that was done and is written up was from a caucus meeting. It was not. It was from the meeting of the Premier's Council on the Status of Persons with Disabilities.

MR. DICKSON: Mr. Speaker, I had certainly intended to say "council." If I said "caucus," I was clearly mistaken. It's clear, if one looks at the AISH review status report, that it was the council. I'm sorry. I thought I had mentioned the council at least five or six times. I appreciate the correction from the Member for Clover Bar-Fort Saskatchewan.

Debate Continued

MR. DICKSON: The concern I have, Mr. Speaker, is quite apart from what that council stated, the experiences that I've seen in my own constituency office of people who have come in time after time. They in fact have received medical certification that they're unable to work. Notwithstanding that, because there were caps on the amount of money available for people on the AISH program, they simply weren't able to access it. I don't know; maybe the hon. Member for Clover Bar-Fort Saskatchewan has some advice for this hapless member in terms of what I can tell my constituents when they come in and say: "Look; I've been to see my doctor. I am not able to work. I have a disability. I've made application. I've been told there's no more money in the program." So how is it that in a province like Alberta we have people who pass the medical threshold and still don't qualify?

I'm referring to the intervention from the Member for Clover Bar-Fort Saskatchewan. It occurs to me that if, in fact, this had been discussed thoroughly at a government caucus meeting, maybe we wouldn't see the bill we have here. We certainly wouldn't have seen

the earlier statement that came forward and then caused the Minister of Family and Social Services so much embarrassment.

Some of the other concerns then. I've mentioned the support level being totally unreasonable and inadequate in the Calgary rental market. These people cannot live on \$823 a month, full stop.

Some of the other concerns I've got with the bill. I see the Member for Calgary-Glenmore here, and it puts me in mind of the business of structured settlements. I want to know, since people to an increasing extent now involved in major litigation – often claims are settled by way of a structured settlement. What that is is simply where the defendant goes to, effectively, a broker who puts together a structured settlement. There's a capitalized amount and then a monthly pension which goes to the tort fees or the plaintiffs from the tort fees are asked to buy this.

It seems to me, Mr. Speaker, that what the person who would otherwise qualify for AISH gets may be very limited. It would be a small monthly cheque. It seems to me, as best I understand the bill in front of us, that it makes no distinction. If you have an asset worth more than \$100,000, independent of your home and your vehicle, then you're in the situation. It's one thing if you had a bank account with a current balance of a couple of hundred thousand

dollars. But this bill indiscriminately would also treat me, if I were in a motor vehicle accident and had some brain injury, some head injury that left me disabled, and because the vehicle that ran into me was driven by the Minister of Environmental Protection, it may be that his insurance company would pay me not a sum of money but would offer a structured settlement instead. So all I would ever be able to access would be a modest monthly pension.

To me, to treat the two cases in exactly the same fashion sort of ignores the context. I would think that if we were going down this road – and I don't agree with it – there has to be some factoring in of those concerns relative to structured settlements and so on.

The other concern. I look at section 5.1. There's this big move to get people into training and upgrading. The problem is that we have seen already with people on supports for independence that what government has done is gone and hired or contracted with a number of private operators to provide retraining opportunities. What I find is because about 11,000 to 13,000 of the people I represent live in low-income households – I mean, they're people on AISH.

Thanks, Mr. Speaker.

[The Assembly adjourned at 5:30 p.m.]

