

Legislative Assembly of Alberta

Title: **Wednesday, March 1, 2000**
Date: 00/03/01

8:00 p.m.

head: Committee of Supply

[Mr. Tannas in the chair]

THE CHAIRMAN: I'd like to call the committee to order. This evening we're dividing into two committees, C and D. Committee D will be upstairs in room 512, and C will be here in the Assembly. So I'd invite all those members of committee D to proceed to 512, and we'll see you about 10 o'clock. The remainder will be here for a few minutes.

[The Committee of Supply met as subcommittees C and D from 8:01 p.m. to 10:12 p.m.]

MRS. GORDON: Subcommittee D reports progress on the Department of Economic Development.

THE CHAIRMAN: Does the committee concur in this report?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? So ordered.
The hon. Member for Wainwright.

MR. FISCHER: Thank you, Mr. Chairman. Subcommittee C of the Committee of Supply has had under consideration certain resolutions of the Department of Government Services, reports progress thereon, and requests leave to sit again.

THE CHAIRMAN: Again, does the committee concur in this report?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? So ordered.
Hon. Minister of Government Services, would you rise and report progress?

MRS. NELSON: Didn't I already do that?

THE CHAIRMAN: No, no. Okay. Hon. members, we were in subcommittees. We had a subcommittee upstairs and a subcommittee down here. When the other one arrived down here, then the two subcommittees separately reported to the whole committee. Now we must report to the Assembly.

MRS. NELSON: Oh. Well, in that case, Mr. Chairman, I move that we rise and report progress.

[Motion carried]

[The Deputy Speaker in the chair]

MRS. GORDON: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions of the Department of Government Services under subcommittee C and the Department of Economic Development under subcommittee D, reports progress thereon, and requests leave to sit again.

THE DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: So ordered.

head: Consideration of Her Honour
the Lieutenant Governor's Speech

Ms Haley moved:

That an humble address be presented to Her Honour the Honourable the Lieutenant Governor as follows.

To Her Honour the Honourable Lois E. Hole, CM, Lieutenant Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank you, Your Honour, for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

[Adjourned debate February 28: Mrs. McClellan]

THE DEPUTY SPEAKER: The hon. Member for Livingstone-Macleod.

MR. COUTTS: Thank you, Mr. Speaker. It is a real privilege, as always, to stand and respond to the Speech from the Throne, particularly on this occasion, as it was read by our new Lieutenant Governor. As we opened the Fourth Session of this 24th Legislature, it was a pleasure to hear Her Honour Lois Hole read the Speech from the Throne. I offer my most sincere congratulations to Her Honour on her recent appointment as the Lieutenant Governor of Alberta. She's an absolute delightful addition, I believe, to this Legislative Assembly. She's thoughtful, she has an understanding of the needs of this Assembly, and she brings those needs and the interests of Albertans to this Assembly. As she goes throughout communities in Alberta, I hope that when she reaches southern Alberta our constituents will experience those same kinds of vibrations from her and the positiveness with which she approaches everything she does not only for herself and Albertans but also for this great province.

[Mrs. Gordon in the chair]

Madam Speaker, with the express views of my constituents from Livingstone-Macleod in mind I am pleased to support this Speech from the Throne and the overall direction this government is giving to Albertans. My constituency has a large population of seniors, and as a result health care and particularly long-term care are really important issues to my constituents. I am pleased the Speech from the Throne also indicated that these are important areas to be talking about with Albertans. In particular my constituents are pleased that the government will implement an overall direction for enhancing continuing care, resulting from the long-term care review. The government's commitment to the continued security of home care and long-term care programs in the province is something that encourages my constituents and reaffirms their faith in the balanced approach to policy so characteristic of this government.

10:20

Along with that, Madam Speaker, my constituents recognize that many nurses in the health care profession work very, very hard, and more personnel coming into the workplace will be important to them and welcome to them and also the people they serve. The government's commitment to increasing access to essential services by increasing the number of frontline staff in the health system will work to alleviate the pressure on many of our valued nurses.

In addition, the recent budget speech also discussed this issue, outlining the government's specific commitment to hiring some 2,400 nurses in the province to assist in just this area. These are welcome initiatives to my constituents, particularly when we look at two of my hospitals that have occupancies of well over 100 percent. The pressure and the stress that is put on those acute care beds is certainly going to welcome some of this relief.

I would also like to acknowledge the progress this government has made in addressing the pressing issues surrounding the provision of public health care while at the same time maintaining a strong and vital commitment to the Canada Health Act. Madam Speaker, this government will be introducing legislation that will help to protect and preserve the publicly funded health care system by doing two things. First, it will legislate Alberta's commitment to the principles of the Canada Health Act by reaffirming the priority of a universal health care system for all Albertans. Secondly, it will enable the regional health authorities in this province to look at new and innovative ways of delivering publicly funded health care services. This is a very progressive step and one that is vital to our continued standard of excellence in health care services. I believe the steps the government is taking to reduce waiting times and increasing access to essential services are fundamental to the continued viability of health care within every province in this country.

While there has been some opposition to the progressive and necessary nature of these ideas, I believe this opposition is only because change is a process and is more often than not a gradual process. Furthermore, opposition to free trade in the mid-1980s dissipated once the benefits of free trade began to be realized and the preoccupation of governments with deficit spending in the early 1990s also disappeared, even among those on the more socialist side of the political spectrum. So in the early part of the 21st century this government is taking the initiative to be innovative in the area of health care in order to ensure that the future viability and sustainability of our precious publicly funded health care system remains intact. As in so many other areas Alberta is again setting the pace of change in public policy, and I think this is a good thing.

[The Deputy Speaker in the chair]

We need only look at the Alberta government's track record on deficit reduction to see the benefits of forward-looking government policies to all Albertans. My constituents are very pleased at the deficit reduction that has occurred so far and continue to support the government's efforts in making sure our debt will be paid down so that our children and our grandchildren will not have this burden to pay off.

I was also pleased to see the initiative this government has taken with respect to education. The projected injection of funding into education will ultimately impact the lives of many Albertans and particularly the younger members of our population. Our young people are so important to this province, and no amount of funding could ever put a price on the value of our future generations. That said, this government has conscientiously and tenaciously shown diligence in ensuring that the future of Alberta is preserved for the next generation.

Mr. Speaker, this government has been a good steward of the fiscal resources of this province and has steadfastly maintained its course in reducing the debt and bringing spending under control while at the same time remaining committed to a good education system, a quality health care system, effective social programs, a clean environment, and safe, strong communities. The government has also shown a commitment to ensuring that Alberta's primary and secondary schools are not fund-raising to meet the basic education

needs of their schools. The fiscally conservative approach of this government is an example to school boards of the importance of diligently reviewing expenses and striving to remain within achievable budgetary limits.

Mr. Speaker, people want schools more effective and more responsive to the changing needs of society. I have already proposed a private member's bill this session that will respond to a need in our society by addressing violence in schools and stipulating a code of conduct for our students. The bill will provide a mechanism for dealing with dangerous activities in our schools in order to protect our students from things like physical violence, sexual assault, possession of narcotics, and possession of dangerous weapons.

This government has also indicated the importance of our young people by introducing a new \$3 million scholarship program that will benefit approximately 3,000 postsecondary students and by increasing student financial assistance levels. This is an issue that has come to me many times in my visits to high schools in my constituency. Young people are worried about their ability to make financial commitments, long-term financial commitments, to postsecondary education.

In addition, Bill 1, the Alberta Heritage Foundation for Science and Engineering Research Act, creates a \$500 million endowment fund that will establish and support a balanced and long-term approach to science and engineering research in the province. The objective of this fund is to foster innovation and scientific research within the province and to support science and engineering research facilities in Alberta.

This endowment fund is something that is important to our smaller universities like the University of Lethbridge. It adds a new dimension to the small university by providing increased opportunities for research dollars to attract scientists and professors from various fields of expertise, by positively influencing our students and further enhancing their educational experience. This is something that young people in my constituency look forward to and something they have mentioned to me on many occasions: how they can benefit from research and get close to the brains that we can import into this province to help with our research.

10:30

Mr. Speaker, that's what this government is all about: innovation, progress, being willing to change when required to rather than being the last out of the gate. This government has consistently shown its tenacity and determination to be responsive rather than reactive to change; in other words, always being out front. This change includes the changing nature of the global economy and staying competitive, the changing fiscal realities of governments, and the presently evolving role of public policy. The Alberta government has sought to address these issues as the need arises rather than when the crisis hits years after the initial signs of needed change were indicated. This government has done this despite opposition and despite distortions of the truth spread by those with special interests. In the end, this government has consistently shown Albertans that it has chosen the right path and that they have chosen the right leadership.

Thank you.

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

MS LEBOVICI: Thank you. It's with great pleasure that I rise this evening to address the throne speech as well. I've had the great pleasure as the MLA for Edmonton-Meadowlark to address the Speech from the Throne seven times in the last seven years, so I

have the ability to look back at what has happened within this Legislative Assembly in providing for the needs of my constituents.

What I found interesting in this year's throne speech was that the Premier thanked seniors and the Premier seemed to indicate that history mattered to him, but in actual fact what we see happening is that history may well repeat itself when we look at moving from a publicly funded health care system to a privately funded one. That is the history that no one in this province wants to see repeated and that in actual fact the majority of individuals in my constituency have indicated they do not want to see. The calls to my constituency office have been from individuals who traditionally have not phoned their MLA, have not phoned the minister of health, have not phoned the Premier. That so-called silent majority are the individuals who are now picking up the phone and who are saying: no, we don't want this; we don't like the direction the government is taking, and in actual fact we don't trust what is being said to us.

These are the same constituents, Mr. Speaker, who know what language can do to an institution, to a health care institution in their own community. The Misericordia hospital is an integral part of Meadowlark. In the cutbacks in 1993 and 1994 and I believe up to '95 and '96, the Misericordia hospital became the Misericordia community health centre. In fact, some major parts of that hospital were taken out, so the community was not served and continues not to be served in the manner that they and the surrounding areas – Stony Plain, Spruce Grove, Westlock; the list goes on – deserve to be served. In actual fact, it now has become again a hospital. So it is strange, perhaps, how language dictates what happens, and we will see that tomorrow most likely, when even though we're going to be told that a surgical clinic is nothing to be fearful of, we know that that is a private hospital and Albertans know that it is a private hospital. So what we have seen in our constituency are some real effects on health care and some real diminishing service with regards to our health care needs, and constituents do not forget that easily.

I have also in the last three to four months taken the opportunity to visit with each and every school in my constituency to find out what the impact has been of the education cutbacks. I have had the opportunity to meet with the administrators, to meet with the teachers, to meet with the PACs. I have three schools left, Mr. Speaker, and then I plan to file a report in this Legislative Assembly on behalf of the schools.

I have one charter school, I have two high schools, I have two junior high schools, and I have a number of separate and public schools. What I have found has been enlightening, and I'm sure if other members took the time to do that as well – and perhaps they have – they will know and will have found out the same things I have found out with regards to the needs in our education system, and quite frankly the budget does not address those needs. Those needs are that parents have to stop fund-raising for essentials, for books. Those needs are with regards to the special-needs children in our schools, the ones that maybe don't merit the severe coding, where they do get some dollars for special aids but are expected to be integrated into full classrooms and are not having their needs met.

There's the reality of the infrastructure and the fact that the schools are aging and cannot accommodate the new technology this government expects the schools to have. I was at a school just the other night where the analogy was made that it's the same as plugging in your microwave and a toaster at the same time: the circuits just go bonkers. In actual fact, that is what happens in some of the schools where the infrastructure cannot accommodate the new technology.

The reality is that in our schools if there's a concern about violence, there is a lack of school counselors, there's a lack of access to social workers, psychologists, and other individuals who can help in dealing with those children who require help.

What in actual fact I see in my constituency is that the seniors have been carrying a larger and larger burden over the years as their out-of-pocket costs have increased with regards to providing their health care needs, with regards to providing their home care needs. This downloading of costs onto individuals has not been ignored by constituents in my riding, and in fact they know they are paying more out of pocket now than they did in 1993. As well, we are having more people falling through the cracks as a result of that.

What individuals in Edmonton-Meadowlark I believe would like to see from this government is a strong commitment to community and community spirit, a commitment to the concept of the health determinants, because in fact that is one of the key ways of ensuring that our health care costs will be diminished. That is, to look at the issues of poverty, to look at the issues of housing, to look at the issues of nutrition of our youth. These are some of the health determinants that must be considered and must be addressed with vision by a government, and what they would like to see is that their interests are considered.

10:40

I have heard in the last two and a half weeks since the session started a lot about the special interests. This government seems to think that anyone who disagrees with them is a special interest, and we have had those special interests named in the past by this government over the last seven years. Those special interests have been the unions. Those special interests have been the nurses. Those special interests have been the doctors. Those special interests have been the seniors. These are just some of the groups this government considers as special interests. Well, I'd like to put on the record that those are not special interests, that I would rather see the special interests of the majority in this province served and served in a way that shows they are respected and do not have the scorn of the government, as opposed to seeing the special interests of a minority, which is what this government at this point has come to represent, Mr. Speaker. As the Member for Edmonton-Meadowlark I will, as long as my constituents decide to invest me with the honour of representing them, be sure that I will represent the majority of my constituents and not the special interests of a few.

Thank you, and I'd move to adjourn debate.

THE DEPUTY SPEAKER: The hon. Deputy Government House Leader.

MR. HAVELOCK: Mr. Speaker, I believe the hon. member just adjourned debate, or she was attempting to.

[Motion to adjourn debate carried]

head: Government Bills and Orders

head: Committee of the Whole

[Mr. Tannas in the chair]

Bill 9

Appropriation (Interim Supply) Act, 2000

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

MR. WHITE: Thank you, Mr. Chairman. It gives me once again great pleasure to pain at least one member across the way with my lightning-quick wit and his attentive manner.

Members, I rise to speak both in favour and agin this particular bill in that it doesn't show any new direction. It doesn't do anything one would expect of a minibudget, as it were, and it certainly leaves

a lot to be desired. I did in the last two days have cause to have some better feelings, perhaps, for a little more co-operative effort in this Chamber in that this morning I had the pleasure of chairing the Public Accounts Committee, where a great deal of co-operation and information sharing goes on all the time. I just had the experience of some two hours in Room 512 in a committee where a member of the Executive Council of this government served up a good informational session, a very, very good exchange of ideas. Whether they were government members' questions or backbenchers' questions, they certainly were forthcoming.

By comparison, the difficulty with this particular bill is that we don't see the same cordiality. We don't seem to have any kind of input whatsoever. It's presented as a *fait accompli*. There is no reasonable debate from the other side at all. There's no new direction.

With the assembled members here I'd like to touch first on some forestry policy that is not covered, some energy policy that should be covered in this debate, and then on to perhaps some decrying of the poor state of education and the lack of support of postsecondary students in this province. Then I'll perhaps have time left over to chastise the government for their method of finance or nonfinance of municipalities and seniors and, finally, tie it up with a little discussion on democracy.

First of all, let's deal with the forestry industry. We have with us tonight a member of Executive Council – and thank goodness for that – who has the promotion of the forest industry, and a former member of Executive Council who was formerly in charge of this particular portfolio. First, I'd like to say that there is a very good report published by the Senate of this great nation of ours that got very little coverage around about but certainly was read by this member and some other members. There are three critical points that it points out that are in error, particularly in Alberta. It centres around the longevity of a contract between the province and a harvester of fibre. It's called the forest management agreement, an FMA. Those forest management agreements have far too short a tenure. I hesitate to propose a longer tenure, because if that was the only change in the FMAs, it certainly wouldn't be adequate. What they could and should do is provide for exactly that, the forest management and one harvester, but it does it in such a short lump that all the forest manager can do is take the harvest and not replant to see it to completion and to be able to manage that forest. So you do want to extend that period that you have given a corporate entity the rights that fall from that contract and all the responsibilities.

Currently, with the relatively short period, a short period being sometimes 15 years – but in tree growth that is at best one-quarter of the growth and probably more like one-tenth of the period of time it takes to regrow that forest. So what you have emphasized here in a shorter agreement is the responsibility just to harvest, not the responsibility to replant and to tend and care for it until reharvesting again, and therein lies part of the difficulty.

Now, I said earlier that if that was the only thing you did on a change of agreement, that would not be adequate. Certainly what you have to do too, like this government says that they do with every policy, is have performance measures. They measure the performance, and then there's some renegotiation. Those measurements of performance have to be made public. It has to be done in public. The disclosure in this particular matter is absolutely necessary for that scrutiny, the same way that this democracy is supposed to run by having the members of the press be able to access that which we say and publicize it and having a record of *Hansard* so that those words of wisdom or fateful errors can be published. Those things must be done.

There's another area that creates some difficulty with a very short

tenure for a forest management agreement and/or a quota. What it does do is put all those firms, those harvesters of that fibre and therefore generators of sustained economic activity in our province, right under the thumb of the government. It may not be overt. It may not be seen easily, but it certainly is felt. Those companies cannot speak, and they don't speak to the press easily unless it's very, very well managed. They don't speak to the opposition unless it's managed.

10:50

MR. DICKSON: Are they muzzled?

MR. WHITE: In fact, yes, they are muzzled. They are muzzled simply because the economic clout the government has over these firms is so great that big firms like Al-Pac and Daishowa say very, very little about anything. They are by structure intimidated, and it simply is not good in the industry. It really is a negative, particularly for the owners of the resource, we who are here and the people of Alberta. It does nothing, nothing.

I'd like to move on. Time's awasting. Actually I didn't keep time of it.

AN HON. MEMBER: You've got lots of time, Edmonton-Calder.

MR. WHITE: I'd like to deal with the energy policy and particularly the lack of debate of energy policy, which could be really engaging in a province like this. There are so many people that know a great deal about the industry and have opinions on it, that are expressed now and again in this Chamber. But never does any debate occur.

I'll deal firstly with the depleting resources – the rate of depletion is rather rapid – and that's conventional crude. This resource is owned – by and large all the resources below the surface geology of this province are owned by the people in Alberta, yet there is no debate as to the rate of depletion, absolutely none. We draw off perhaps 600 million this year, and that's a good year economically because the price happens to draw right now, but that's depleting and diminishing. Yes, it's being replaced and ably replaced by another resource, but there isn't debate on whether we should be rushing out and depleting that or not. There isn't any debate in this Legislature as to how the oil industry is to be maintained in this province through this complete next century. Certainly the conventional oil cannot be done.

I'd like to move on to synthetic crude, another area of absolutely no debate. It was presented as a *fait accompli*. That was the new royalty rate negotiations, that in this member's view didn't turn out that badly. Around the margins I could and would have changed some, but I wasn't at the negotiating table. I didn't hear any debate in public on the rate of depletion of that asset versus any cost inputs that were required by the province of Alberta. Now, there were some pretty fundamental elements that you'd think we'd want to speak of. Do you want to overhear an economy? Do you want to grow one part of the economy in the province of Alberta over another? Then there are so many other things . . .

DR. WEST: You should ask the Parkland Institute to help you.

MR. WHITE: The minister of resource depletion wants to get into this debate rather badly. If he'll listen to the text of my debate, that's what I am trying to do, encourage debate, but debate off the record is of no assistance whatever. We've been admonished a number of times by this chairman to speak in turn and add to the debate if a minister wants, but this minister does not seem to be predisposed at all to add to the debate. He merely hurls comments across the way.

DR. WEST: It's to keep you on your toes, Lance.

MR. WHITE: I am that. Thank you, sir.

Continuing on here. Synthetic crude this year, partially because of a marked change in the royalty rate, without debate again, has gone from some \$43 million to \$384 million. To me that would indicate that the planning for this particular resource depletion is not reasonable. It is reasonable to expect that the reduction of the asset at this level would be reported in this manner, but certainly it would be wise for those that negotiate these arrangements to share a little more with the owners of the resource through the public forum, which is this forum. Now, no one would expect it to be completely open and transparent, but it would be nice to have the philosophical elements of it presented here and argued and discussed. Granted, the opposition would have little influence if the arguments were put well, but in this forum if the opportunity is there, then the arguments will rise to it, I'm sure.

Moving on to electricity. Electricity is probably the area that bothers this member the most. You'll remember that the bill of 1995 garnered, I think, about six hours of debate in total, and the bill of 1998 left this House under closure with less than an hour and a half of debate. Now, that is clearly not the way to pass policy in this province. You recognize that in 1994, before any of this deregulation experiment was spoken of, this province had a stable rate, a favourable rate of power. We had adequate reserves. We had a privatized system mostly. We had two major generators generating better than 80 percent of the total energy consumption in this province – they were completely privately run and held corporations in the province of Alberta – and at that time we had one quasi-clone corporation. It was owned by the city of Edmonton.

The system worked, and in my barber's terms, it weren't broke. It was working. What needed fixing? To date we haven't had that discussion. We haven't heard where the hue and cry came from to require moving from that system to another system. We don't know what that system will look like as yet because the power purchase arrangement auction has not been held, and we don't know what the outcome of that will be.

In that time we had virtually zero construction of conventional base load generation in this province, yet we've had substantial growth in virtually every other sector of the economy in this province. It's getting to the point now where it's going to be one of the limiting factors in infrastructure. You can hardly prevail upon a corporate entity in another part of the country or the world to come to Alberta to produce goods or any kind of product when electricity is lacking. That's getting close to being what the case is.

Now, you'll hear an argument that there has been a substantial addition of energy production in this province by way of cogeneration, and that's true, but in order to have cogeneration occur the cogenerator must have use of excess heat. Well, actually you can generate the heat for plant heat. You need plant heat, so you need some process heat in the plant, and then you can produce electricity for the plant and sell off the rest.

11:00

Well, those opportunities have been taken up mostly in this province now. They haven't been constructed or aren't in construction, and we're topping out rather rapidly. We're getting painfully close to a crisis here in a province that has untold energy resources. It's absurd that we're getting to this point.

Now, if one were to turn the clock back to '94, and the government were contemplating this move to a deregulated market, you'd look at the market and say: well, the market dominance of one entity is potentially a problem. So you'd go through, and due diligence would say that you really go through the steps to decide whether you can design some kind of system to have a much more open market, a free market if you will, and whether it can be defined. We have spent five years trying to define that to try to limit the market dominance of one player.

At that point it should have been decided whether an invited divestiture or an assisted divestiture of assets of TransAlta Utilities would have been contemplated and whether you would or wouldn't do that, but there was no debate on that subject, absolutely none. We heard none of it. We've heard none of it to date. Yet the experts will tell you that that would have been a guarantee that we would have had probably two, maybe three or four years ago a market that was operating almost totally and completely without the massive regulation we have now that has the system of designed PPAs and, failing that, some kind of forced market contract of some description. We would have had a decision that could have been put in place at that time.

Now, the current minister was not minister at that date, so he cannot be chastised for that. [Mr. White's speaking time expired] Twenty minutes?

THE CHAIRMAN: Yes, it is really 20 minutes.

[The clauses of Bill 9 agreed to]

[Title and preamble agreed to]

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

HON. MEMBERS: Agreed.

THE CHAIRMAN: Carried.

The hon. Deputy Government House Leader.

MR. HAVELOCK: Thanks, Mr. Chairman. I move that the committee do now rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

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

MR. HERARD: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration and reports Bill 9.

THE DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

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

