

## Legislative Assembly of Alberta

Title: **Tuesday, May 16, 2000**

**8:00 p.m.**

Date: 00/05/16

[The Speaker in the chair]

THE SPEAKER: Please be seated.

head: Government Bills and Orders

head: Second Reading

### Bill 24

#### Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act, 2000

THE SPEAKER: The hon. Minister of Environment.

MR. MAR: Thank you, Mr. Speaker. I am pleased to introduce the Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act, 2000 for second reading and would be happy to move the same.

This government made a commitment to Albertans in 1995 to protect representative samples of Alberta's six natural regions under the special places program. This amendment will allow us to designate three heritage rangelands temporarily designated as natural areas under the special places program: first of all, Black Creek heritage rangeland natural area in the Whaleback, designated in May of 1999; secondly, Twin River heritage rangeland natural area on the Milk River, designated in December of 1999; and finally, Beaverhill heritage rangeland natural area east of Edmonton, designated in November of 1999. This amendment also will allow the designation of several other grassland candidate sites currently under review.

The amendment act before you today supports this government's commitment to local committees in Alberta's grassland region to create the heritage rangeland class. This class will enable the designation of special places in areas with grazing leases. The heritage rangeland classification will preserve and protect representative areas of Alberta's grasslands through legislation specifically designed to meet the unique management needs of these areas.

Grazing bison shaped Alberta's grasslands. Cattle have now replaced the bison in this role. In heritage rangelands cattle grazing will continue to be used as a management tool to preserve ecological integrity.

Heritage rangelands will be designated under the wilderness areas, ecological reserves, natural areas and heritage rangelands act. Grazing leases will continue to be managed under the Public Lands Act by Agriculture, Food and Rural Development. It is important to know that the rights and responsibilities of lessees under the Public Lands Act will not be affected by this amendment.

Existing industrial commitments will be honoured in heritage rangelands. However, new dispositions will only be sold with a no-surface-rights, no-surface-access addendum to prevent future surface disturbance.

Recreational use of off-highway vehicles and snowmobiles will not be permitted. OHV and snowmobile use will be permitted for management activities associated with dispositions only. Hunting and fishing will be permitted on agricultural leases with permission from the leaseholder. Hunting and fishing will continue to be managed under the Wildlife Act and Alberta fishery regulations.

Parks and protected areas are a priority for my department. I am studying the recommendations of the MLA review committee that conducted public consultations on the previous draft of the legislation. This amendment is an interim measure only. I will introduce a new parks and protected areas act, an amalgamation of two other

acts and this one, in the House when the bill is complete.

Mr. Speaker, I ask members for their support for this amendment that will allow the heritage rangeland class to be created under existing legislation. This amendment will fulfill this government's commitment to leaseholders who agreed to include land under grazing leases in the special places program. It will also fulfill a promise to Albertans to preserve land from all six of Alberta's natural regions under the special places program. I ask members for support for this amendment.

Thank you.

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. It's a real opportunity this evening to stand and speak to the Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act. This, I guess, is a start or part of what we tried to do last year with the Natural Heritage Act, but this is going to effectively carve out one part of that, from what I understand, and put it into place under our current act. I think the action by the government and the minister to actually undertake to recognize that we have heritage rangelands in Alberta is a good move. The whole special areas program was designed to make sure that all of the unique ecosystems that we have in our province are recognized and protected in as close to their natural form as possible, and what we're seeing here now, the heritage range inclusion into this act, is a good step in getting that started.

The minister mentioned that the process to designate three areas as heritage rangelands has already been completed, with potentially three or four others still to come. This is, I guess, a good start. The areas they spoke about – the Black Creek, Twin River, and Beaverhill areas – do represent very unique kinds of rangelands in our province.

As I was listening to the minister, there was a question that came up. He continually referred to the idea that all of these lands were currently under grazing leases, and I would just like to have clarification on that. Is there no private property lands included in these areas at all? Also, a question is: would there be in any of the future ones? What we have to do there is look at how this kind of designation and the negotiation that has to go on with the landholders would affect the concept of private property, property rights, title, ownership, and title power or title authority as it reflects under our Land Titles Act, but if they're all grazing leases, then effectively what we can do is deal with these under the specific provisions of the government's power to renegotiate leases and to deal with the leases that are, in effect, on our public lands. So without that kind of clarification that would be something we have to look at in the sense that it might affect some of the lands that are being brought into the ones that are being considered in the future.

Mr. Speaker, with those comments I think the next thing we have to look at is how the management of these areas will be applied or controlled and regulated. One of the common concerns that we hear from a number of the grazing leaseholders is that cattle do not necessarily graze in the same way that the bison, that the minister spoke about, did during historic times, when they were running across our province in potentially the millions, and the thing that comes up there is the issue of brush control.

We've had a number of grazing lease operators, you know, in the areas along the fringe of the greenbelt talk about how the brush and the small trees are gradually encroaching onto the prairie, into the grassland areas. Historically the buffalo would winter in those fringe areas along the forested edge, the edge between the forest and the grassland, and effectively would keep the young brush and the young trees from continuing to encroach onto the grassland areas.

A number of the grazing leaseholders in those areas now have indicated that in the time that they've managed the lease, because they are not allowed to do brush control, what they're seeing are a number of areas where the small bushes, you know, the wilderness bush, and some of the smaller, more invasive trees are starting to take over their grassland areas or areas that were grassland when they began to manage those leases. So I would hope the minister would look at these kinds of broad-based control options that effectively would control and would deal with the management of that species invasion that occurs at the fringe areas between the grasslands and the tree line or the brush line.

The other thing I would like to just kind of raise as a start here in the beginning of the debate on this is that we have to look at how this is going to fit into some of the issues that are coming up. You know, last year we debated Bill 31, the Agricultural Dispositions Statutes Amendment Act, and what we saw there was a lot of discussion about the length of leases, the ability of the government to modify leases, whether or not those leases were contracts, what concept of title or ownership and control they gave to the leaseholder. It was good to hear the minister say that in these heritage rangeland areas the grazing leaseholder would be the individual that would kind of be the gatekeeper for anyone wanting to hunt or fish or use them for other approved uses or have approved access.

8:10

One of the parts of the bill that does tie in to this is the fact that some of these grazing leases are going to be extended from 20 years to 30 years. I guess the question that I would put in that connection is: is it just the leases that are going to be associated with the heritage rangelands that will be extended to the 30-year time frame, or will it be a possibility now that we'll see all grazing leases again be a 30-year lease type negotiation? The issue there, you know, comes up in terms of, again, the debate we had last year on Bill 31.

Mr. Speaker, I can see some real merit here in trying to encourage farmers to develop heritage management systems for these rangelands, and they need to have a long enough planning horizon to put in place the appropriate grazing patterns, the appropriate management stocking rates, so what they effectively want to see is a degree of certainty that's associated with them.

The question then comes up in terms of how they'd be handled within the context of transfers. Are they going to be handled the same as the regular grazing leases, or would the heritage rangeland leases be handled differently than the regular grazing lease, both in terms of transferability and all of the accounting or the calculations that have to go along with dealing with how the leases are transferred?

I guess looking at it more from the protection perspective, as well, we see that in the bill there's a lot of discussion about how certain uses will be prohibited or else only allowed after approval of the minister, and I would like to suggest to the minister that this is a very good idea because we've got to set the outer parameters on what is required to protect these areas. Then as we look at the specific uses that a leaseholder might want to apply to that, they can look at special permission to do things a little differently. I understood the Minister of Environment saying that that would be managed under Alberta Agriculture, so for that to occur, then, I think the minister of agriculture would have to have the power and the set of guidelines to really look at any request for deviation from the restrictions on use that might arise so that the overall concept of the heritage wilderness area or the heritage rangeland concept is kept in place.

Similarly, though, Mr. Speaker, we have to look at the idea that some things did occur naturally, and we have to be in a position to accept those. I guess the one question that would come up in some

of these areas is: how do you control or how would the leaseholder be able to deal with natural hazards in these areas? We see a number of cases where insects or fungus or bacterial infection of plants starts in. A normal rancher would be using some kinds of sprays to control those. Would that be permitted here to manage that? Even such things, you know, as a grassland fire: would that become a natural phenomenon, and would the fire departments be allowed to go in and fight the fire there to prevent it from spreading beyond the boundaries of the natural rangeland, or would they actually go into the rangeland and get involved in actually controlling and extinguishing a fire so that, effectively, you take away that natural perspective?

I guess these kinds of management issues have to be addressed as we look at the freedom that the leaseholder would have to manage their livestock operation within the context of those heritage rangeland areas. In the historic perspective, if a lightning strike or something started a fire in one of these areas, it would burn off, the buffalo would move off somewhere else, and so would the deer and the other wildlife, if they survived the fire. What we would end up seeing, then, is that over a period of two or three years there probably would be very little use of that area as the plant material re-established itself in the roots or from seeds that were activated by the heat or by disposition by birds that were flying over. These are the kinds of things that would start the grasslands growing in that area again.

I guess in the context of the overall management plan we have to understand how much of the natural phenomenon would be allowed to occur. You know, there was the idea that we saw in Waterton park when the federal government decided that that was going to be allowed to be a natural area, and there were two or three occasions in the last four or five years when natural events have really, if you want to call it that, laid havoc in a natural way to certain parts of the park. The visitors to the park afterwards said: "Well, this is not what we came to see. We came to see the growing, vibrant lifeblood of a natural area, not to look over and see where nature itself has devastated part of that natural area." They didn't want to see the devastation of nature. They didn't want to see the impact of infestations of insects or beetles or even the impact of fire that caught in Waterton park a couple of times. The tendency was to let the fires burn themselves out instead of trying to get in there and control them, so it ended up that they probably burned over a larger area than they would have had they been actively fought and actively managed and controlled.

So, Mr. Speaker, from that perspective I'd like to congratulate the minister for bringing this forward. It's going to alleviate some uncertainty in these areas, the three areas that have been designated – Black Creek, Twin River, and the Beaverhill area – so this, I think, is good. They do reflect very significantly different types of rangeland in our province. We see the Black Creek area down there being very able to reflect the fringe area between the green area and the prairie. Also, the area around Milk River is a very unique rangeland, where we have part of the Milk River ridge and the altitude-affected types of grasses that are growing there. Then we get out here to Beaverhill, east of Edmonton, where we see a northern type of grassland area, and this again reflects the transition between the dry prairie grasslands and the northern forested grassland area.

What we see now is that the other areas that still have to be looked at are the really dry eastern Alberta grasslands. The minister made a comment that he was looking at dealing with some designations out in the special areas, again lands that are all under public management at this time. So these are things that we have to consider and look at.

I want to say thank you to the minister for bringing this forward,

because it's sure going to help to have our heritage-type ecosystems maintained so that future generations can go out into Alberta and have a view of what our province actually looked like, the kind of rangeland, the kind of ecosystem that faced our ancestors when they first came to Alberta. I guess the eventual hope would be that as these areas do become heritage, potentially some of our endangered species might be reintroduced. These are the kinds of things like the burrowing owl, that they've tried to reintroduce, and some of the others that are being removed or are being lost from Alberta's ecosystem. It would be great if we could see these kinds of species reintroduced in these natural areas where they existed in the historic, predevelopment, preintensive agriculture use of our grasslands.

So with those few comments I'd just again like to congratulate the minister and hope that we can expedite this to get it put in place.

Thank you.

8:20

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

MS OLSEN: Thank you, Mr. Speaker. I would just like to make a few comments on Bill 24 on behalf of my colleague the hon. Member for Edmonton-Ellerslie. I can tell you that I'll not do the justice to the bill that she would, I'm sure.

Just a couple of comments. I'm in support, as is my hon. colleague, of this piece of legislation and what we know it to do. It takes a modified definition of the heritage rangeland from the Natural Heritage Act, that was at one point on the table, and amends it into this particular act, the Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act. It increases the amount of land in the eastern part of the Whaleback and the Rocky Mountains forest reserve and increases the terms for grazing leases from 20 to 30 years.

I have to be clear about my concern in bringing in small portions of an overall framework, such as Bill 15 was. I think that the Natural Heritage Act was last session. That didn't get passed. The bill was shelved, so now we have a very small portion of that bill being brought through.

I understand there are some issues that the two ministers have to work out that they appear to be at loggerheads on. I'm sure that'll be forthcoming, but it always raises some concern when we take little snippets and don't look at a systematic approach to what we're doing. I'm not quite sure what the urgency is for this particular section. I do raise that concern, and I think it is a very legitimate concern, one that not only I have but that I know my colleagues and some of the folks in the environmental world that the hon. Member for Edmonton-Ellerslie works with have. I need to put that on the record.

Bill 15 aimed to give more protection to Alberta's natural environment, and this is kind of a modified version of the definition of heritage grasslands. I'm wondering if this is going to be included, if there's going to be a broader approach in the new bill, the heritage act, when it comes forward, whenever that may be. I'm hoping that at some point through this particular process the minister can enlighten us as to that.

We did have discussions through the last session as well on the grazing leases. This particular act makes it quite clear that the heritage rangelands are to be maintained by grazing, and to facilitate this, ranchers will be traveling other than on foot. Although there are going to be restrictions on the types of vehicles that they can use, nonetheless they'll still be using motorized vehicles in these sensitive areas.

I'm wondering if these areas will be part of greenbelts for wild animals and waterways that are going to pass through them. I'm

wondering, when we get to that point, if the minister can enlighten us there.

In this bill, in I believe it's section 8, when we talk about vehicles, we talk about the need for restrictions on those. Vehicles can do a lot of permanent damage to land. We've seen that in any number of backwoods areas where there's been a lot of travel. In fact, I guess over time packhorses and the like on the same trails can do damage as well. I don't know if you've been cycling out in Banff or Jasper, Mr. Speaker, but you know some of those trails get packed and get broken up or so packed and firm that they're difficult to travel on. You know, the area has been damaged by that kind of activity, and albeit I like to do that, to go out and ride in the backwoods, you can always tell the kind of damage that has occurred, and that's from a nonmotorized vehicle. [interjection] No, a bicycle. A bicycle is a vehicle, hon. member, and it's powered by legs. It has no motor, but it still does damage.

I guess what I'm getting at is that while the vehicles are supposed to stay on the roadways, I would suggest that if you have a bunch of 16, 17, 18 year olds loose on motorized vehicles and even mountain bikes, there's no way they're going to stay on the roadways. If you have older people, middle-aged people such as myself – I would stay on the roadways.

MS BLAKEMAN: You're admitting to be middle-aged?

MS OLSEN: I'm admitting to be middle-aged. I would stay on the roadways, but I know that my young son would be tempted to take on a path that may offer him a little bit more excitement than the one that he's supposed to be on.

MR. CLEGG: Bad boy.

MS OLSEN: He would be a bad boy, hon. member.

That kind of thing concerns me. I guess what I'm wondering is: what type of enforcement will be available in these areas? Is it going to be the environmental protection officers? We know that the staff there has been reduced over time. What is the availability of those particular enforcement officers that are out there looking after the parks and this particular area, the Whaleback, and that kind of thing?

It's great for us to say that you can't do something, but if we don't send the message home through some sort of enforcement tool, then the words in the act would be meaningless. So I'm wondering if the Minister of Environment is going to deal with the necessary enforcement issues in this area. I think we just have to look at the complaints we get in the parks over the summer and the young people that go out and call partying in a campsite camping, creating all sorts of excess problems for other campers and folks in the area. What we now see is having to increase the level of enforcement in the parks. I think that's an important issue, because in order to give meaningful consequences under this act and in order to have restrictions, we ought to be able to enforce those particular sections of the act.

We hear that there's the potential for no people on private property from the grazing aspect of it, the leases. Given that there was such a huge problem with the grazing leases – and if I recall, we were talking there about some of the ranchers not wanting the public accessing the grazing leases. I think the hon. Member for Lethbridge-East asked that question, and we should probably be informed by the minister if that's going to be the case. Again, I think that there are a number of issues with grazing leases and potential liabilities that exist for a rancher by having other people access the land, but I'm not sure, given that it is public land, what the consequences of the public/private fight are or will be as a result of that.

With that, Mr. Speaker, I don't think I have much more to say, and hopefully when we move on to committee, we will be able to look at this bill in a little more detail.

Thank you.

8:30

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

DR. MASSEY: Thank you, Mr. Speaker. I'm pleased to have an opportunity to speak to Bill 24, the Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act, 2000, at second reading. Of course, at second reading we're concerned with the principles that sit beneath the bill itself and try to make sure that we understand exactly what those principles are that the bill is supporting.

I think there is fairly wide agreement that the principles embedded in Bill 24 are really worthy principles and ones that this government and other governments are struggling hard to maintain in the face of development and in the face of the assault by a variety of human forces on the environment. In particular, this bill addresses heritage rangelands and grasslands. It's interesting because the grasslands of the world are rather unique, being areas that won't support higher forms of vegetation, and obviously it's an area in this province that we have decided needs to be protected.

The first principle is that heritage rangelands and grasslands are a specific ecological type that must be protected. That principle is developed throughout the bill in a variety of ways: by restricting the kinds of activity that can take place, by restricting the kinds of human activity that can take place surrounding it and in general making sure that the areas come under a microscope in terms of the use that's made of them, and the use is severely limited.

A second principle that not only this bill but previous bills have supported is that the unique ecosystems in the province should be preserved, and of course they've identified six of them that are worthy of preservation. Again, this is consistent with worldwide efforts to preserve unique ecological areas. It's a movement that is supported by a number of special interest groups, but I think that generally the public is very supportive of the efforts to make sure those unique ecosystems are preserved and are there for future generations.

A third principle that the bill seems to rest on is that these heritage grasslands and rangelands can be protected while still being used for some human activity, in this case by ranchers. That's a principle that has been hotly debated in this province and elsewhere. Allowing any kind of human activity in some of these areas would be objected to by some citizens, but this bill takes, I think, a more realistic approach and tries to lay out the ground rules for that activity so that it can be conducted and still act in the interests of the environment by maintaining the area.

A fourth principle that is supported in the bill is that representative samples is a satisfactory method of preserving Alberta's six major natural regions. That's a rather interesting principle. It's one again that I think could be debated, that you take representative samples and instead of trying to have a general very strong environmental protection law, you ensure that specific areas continue to exist by choosing representative samples. I guess the danger in that is that the treatment of areas outside those samples might somehow or other be neglected, that it might lead to the development of an attitude that because the ecosystem is a protected area, when you encounter those characteristics outside the sample, you don't need to be as protective. I think that would be a negative in terms of choosing this method of preserving natural regions. Hopefully that won't happen, Mr. Speaker.

The context of the bill is really rather interesting. Our environment critic from Edmonton-Ellerslie has been very, very meticulous in terms of keeping track of the government's record in terms of the environment and environmental protection and has to go great lengths to make sure that the members of our caucus are apprised of what's happening. I should mention that she's recommended to us that we support and make sure this bill proceeds through the House as expeditiously as possible, and we don't in any way want to delay the bill.

She did point out in some of our discussions that it really has been hived off from the Natural Heritage Act, Bill 15. In some ways that's unfortunate. We all recall that when Bill 15 was introduced, it was heralded as the introduction of a comprehensive plan to protect the environment, and it was also heralded as a very comprehensive piece of legislation that was able to take a variety of interest groups and bring them together, that there was general agreement from those interest groups that what was being proposed in Bill 15 had been agreed upon and was going to do the job in terms of protecting the environment. Again, it's unfortunate, because I think that when you start to piecemeal it like this, you lose some of the attention that we had when Bill 15 was before the House. But whether we have a comprehensive bill or we have good pieces like this, I suppose in the end it doesn't make much difference, Mr. Speaker.

In concluding, I do support the bill and look forward to it being passed as quickly as possible. Thanks very much.

THE SPEAKER: The hon. Minister of Environment to close the debate.

MR. MAR: Mr. Speaker, I've listened carefully to the comments made by members of the Assembly. I'm happy to hear the kind of positive feedback that I did, and I wish to move second reading of this bill.

[Motion carried; Bill 24 read a second time]

8:40

head: Government Bills and Orders

head: Third Reading

## Bill 7

### Alberta Science, Research and Technology Authority Amendment Act, 2000

THE SPEAKER: The hon. Minister of Innovation and Science.

DR. TAYLOR: Thank you. I'm prepared to move this and listen to my colleague's concerns, and then I will certainly make some comments on closing debate.

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

MR. SAPERS: Thank you, Mr. Speaker. This is what happens when you generally support a bill. You don't get a lot of feedback after you say: Mr. Speaker, representing the opposition, I'm here to tell you we're going to support the bill. Then you don't hear a lot, although we did ask some questions about Bill 7 in earlier forums of debate, and I hope that the minister, now that he has reserved for himself the privilege of closing debate with some pithy comments, will include within those comments some responses to questions raised in both second reading and committee.

We've talked a lot about the principle of the act and the substance of it in terms of amalgamating some various research authorities into one, but there were some specific issues to do with timing, particu-

larly with forestry research. There were some issues about subordinate lawmaking and regulations. There were some questions regarding the role of MLAs as chairs of these committees. Nobody was questioning whether or not MLAs should be representatives on the committees, but we were wondering why the MLAs must be inserted as chairs.

Of course, this is the kind of thing that makes the public very suspicious, because of course usually with these chairmanship positions comes some extra pay, and if we're finding good, qualified, hardworking Albertans to be on these committees, maybe one of them would be in line for that kind of a stipend. In any case, Mr. Speaker, there are these questions about the role of MLAs on the committees.

I want to go back to this question of subordinate lawmaking, the regulations section, which is very broad in the bill, Mr. Speaker. I just want to say that as usual the Official Opposition always has difficulties when we see regulation sections that aren't well defined.

I hope that the minister will take the opportunity to put our minds at ease about what's going on with the regulations under the act, the timing issues, and particularly the role of MLAs. I must say that I also raised some rather technical concerns regarding intellectual property, wondering whether or not the law as amended is equal to the challenges of today's society and today's environment when it comes to intellectual property rights.

IPR is becoming very controversial, and it seems the jurisprudence changes day to day. We've got all kinds of national and international agreements and treaties. We have multinational companies funding research. We have co-operatives now between private corporations, public Crown corporations, universities, and research authorities, not just in this province but across the country and around the world, and we know there are always heated negotiations these days around who will retain the ongoing rights to the intellectual property and also really what are the definitions of intellectual property in terms of those things that are developed as a direct result of the substantive grant or the project and those things that happen sort of by the way, those eureka moments where you discover something or come across something that wasn't intended or that wasn't really the aim of the initiative to begin with.

To close my comments, Mr. Speaker, Bill 7, which deals with the forestry research institute, the energy research institute, the Alberta agricultural research institute, and the government's plan to consolidate research and to get better co-ordination is supported by the Official Opposition, but we do have these nagging concerns. We would very much appreciate the minister addressing them before we give it third and final reading.

Thank you.

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. It's a real opportunity to stand and comment on third reading of Bill 7, the Alberta Science, Research and Technology Authority Amendment Act. This is an act that puts in place the administrative unit to support the newly established heritage fund for science and technology, and this effectively will give Alberta a chance to move even farther into the forefront of advanced research and science-based research than we already are. The idea that we're going to have one authority that stands for the science-based research activities is quite an achievement.

I guess the question that comes up in the end is the allocation of priorities between the different areas. In agriculture we had the Alberta Agricultural Research Institute operating before. I was just looking today at a news release that came out from Alberta Agricul-

ture. They were outlining about \$7.4 million in research allocations for agriculture initiatives. I guess the question that would come is: as the Alberta Science, Research and Technology Authority allocates the moneys out of the endowment that's been created, will agriculture, will the Alberta oil sands research authority be getting something near the same amount of money, or will it hopefully even be higher? How will those priorities be developed within the authority? How will we be sure that the issues of agriculture continue to be addressed?

In the last budget there was about \$11 million allocated for expenditure by the Alberta Agricultural Research Institute. In essence, what potentially would happen is that a fifth of the potential income on an expected basis from the fund that's been endowed would be directed to agriculture just so we could keep the agriculture initiatives and the agricultural research at about the same level as we had under the annual budget funding from general revenues for the Alberta Agricultural Research Institute. So we have to look at maintaining that broad base of research in the agriculture area and in the energy area when we see the oil sands research component also rolled into the science and technology authority. These are the kind of things that I guess we'll see over the next couple of years.

I know as I've traveled around the province that the agriculture community and the energy community are really excited about this. They see it as broad based. Never mind the activities and the discussions that are going on now at Alberta's universities, where the more concept or theory based research is usually undertaken. They are really looking at this as a step that will continue to allow them to take a lead in Canada and North America and, in some cases in some science areas, around the world in being identified and recognized as some of the leading research areas. As I said, they're now really excited about the potential they'll have to deal with continuing these research areas, further focusing and concentrating their centres of excellence and dealing with the kind of base research that in the next 10 to 15 years could lead to some very exciting potential applications in the spin-off economic growth that could accrue if we can encourage those developments and those spin-off activities to take place here in Alberta.

8:50

Mr. Speaker, I guess one of the things that I hope the Minister of Economic Development is working on with the minister of science and technology is looking at how we can encourage and make sure those kinds of commercialization activities do actually get established and that we do get our fair share of them here in Alberta. I'm not going to try and encourage them to undertake activities that would make sure we get everything here; that's not reasonable. But the creation of an environment for risk capital accumulation, whether it's equity funds or some other kind of method of developing start-up capital for these ventures, needs to be looked at. Whether or not the western Canadian Venture Exchange is going to facilitate that, these are the kind of things we have to look beyond in the next stage of capturing a lot of the benefits that are going to come from the research activity that's generated through the dollars that are managed by the Science, Research and Technology Authority.

So we have to look at that from the perspective of: where do we go? You know, it's great to say that we've got one of the best world-based research programs and research funding systems here. We have to also look, then, at how we can make that commercial and become an active part of commercialization and contribute to the economic growth of the province.

Mr. Speaker, with those few comments, I again would just like to congratulate the government on this initiative. It's put Alberta on the world map in science and technology research. It will provide

us with the opportunity to attract centres of excellence research teams that are potentially world leaders. It'll also give us the chance, then, to work through and be able to develop some commercialization of these activities, which will then provide us with the diversified economy and the spin-off growth into some of the other areas as potentially our energy sector becomes less and less of a contributor to our Alberta economy over the next 20 or 30 years.

So congratulations to the minister, and congratulations to the government. Good job done.

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

DR. MASSEY: Thank you, Mr. Speaker. I just want to make a couple of comments at third reading as we re-examine the principles underlying Bill 7. Bill 7, of course, is an effort to integrate and to consolidate research initiatives, the science policy development, and to co-ordinate research funding in the province. I think it's being widely applauded both in and out of the Legislature as a very good move for the sciences and engineering in this province. I think all Albertans will applaud the effort and will await with interest the results of organizing research and policy development in this manner.

It was, of course, patterned after the medical research model that drew upon heritage trust funds for research in the medical sciences, again a very successful model. It means that some other patterns then aren't followed. It means that this kind of research effort isn't centered at a particular university or centre across the province, and that has implications for the existing institutions and research entities. It's a pattern, of course, that's being used elsewhere, although I believe it often has been used but has been housed in a specific institution, a specific university. That's different in this case. It's going to be interesting to watch how this develops.

One of the comments I would like to leave with the government, if not with this particular minister, is that there is a need, which I think has been expressed by a number of people across the province, for a similar fund in terms of the humanities and the social sciences. While everyone is applauding the move in medicine and in science and engineering, wouldn't it be exciting if we had the same research funds and policy development money available to promote philosophy and the arts and music and even drama in this province? It would be exciting.

I would conclude with that observation, Mr. Speaker. I am delighted that the bill has proceeded as quickly as it has and, as I said, will look forward, with others, to chart its progress and success.

Thank you.

THE SPEAKER: The hon. Minister of Innovation and Science to close the debate.

DR. TAYLOR: Yes. I would just like to take a few minutes and answer some of the questions and comments. The members across suggested I say something pithy, but every time I try and say something pithy, the Speaker always corrects me, so I'll stay away from pithy comments and just go forward with some answers to questions.

I'd like to talk first briefly on Lethbridge-East's comments regarding agricultural research. I fully expect that we will not just maintain the status quo for agricultural research, but as we move into what I'm calling life sciences strategy, I believe there will be more money for agricultural research. There needs to be more money for agricultural research.

I see this coming from a couple of sources. I see an increase coming from out of the Innovation and Science budget. I see an

increase from other private-sector companies that are interested in what's happening in Alberta. I also see it coming from the Alberta Heritage Foundation for Science and Engineering Research.

If you look at that, one of the functions of that is to support agricultural research. In fact, we have placed an agrologist on the board of the Alberta Heritage Foundation for Science and Engineering Research. We have several people from rural Alberta on that board who understand agriculture, so agriculture will be an important part of that new funding board. Treasury tells me that we can spend roughly 5 percent of the endowment and maintain the value of the endowment, so we should be able to see \$25 million spent this year, and as that endowment grows towards \$1 billion, then we should be able to see that fund grow even higher and more money for agricultural research.

I'd like to thank the members opposite for their support of the Alberta Heritage Foundation for Science and Engineering Research. It will be governed by a separate board, just as HFMR is, and it will be through the same process. That group will be funding excellence in science, and so there will obviously be in most cases more demands for money than exist. Certainly, as long as the agricultural projects go forward and the agricultural scientists go forward evidencing excellence in science, then I don't see that there will be any problem with more money going to this whole area of agriculture.

9:00

You also made some comments about commercialization of products that come out of research. We recognize this as very important, and quite frankly I have been unhappy with some of the results of the commercialization efforts in Alberta, so we have a number of independent groups trying to do this. The three main groups in Alberta are UTI, ILO, and ARC. Because all of these groups get some money from the budget of Innovation and Science, what we've encouraged them to do is to meet together and come up with policies that they can go forward with with other agencies in the province, such as Joe Lukacs' group in Calgary – and I've forgotten the name of his company that does commercialization – such as Olds College and other groups that do commercialization so that we can have a unified approach to commercialization in this province, a strategy for commercialization in this province so that these other groups don't contradict each other and work against each other.

I'd just like to comment briefly about forestry research. I've got to go quickly. I've just been told that I only have five minutes.

Forestry research was just added, and yes, we need to do more. We recognize forestry research is important, and we will be developing a strategy for forestry research just as we developed a strategy for the ICT research that we're doing in this province. I don't have time, but I can give you a number of concrete developments that have happened in this province, including the fact that Nortel announced a \$55 million R and D facility in Calgary just last week as a direct result of what's happening in this province. So if we develop research strategies for the whole energy research institute, for the forestry research institute, if we do that in a strategic sense as we work through this process, then I believe that we could have similar results.

There were some comments regarding regulations. As you know, regulations are always done after the bill. I'm more than willing to work with my colleagues in the opposition on these regulations and show the regulations to them and say: what do you think? I don't have a problem with that. Colleagues on both sides have been supportive, and I intend to reciprocate in that. So regulations will be forthcoming, and I am willing to work with colleagues on both sides of the House.

There was a comment about MLAs being chairs. For MLAs we in fact were working towards co-chairs with a private-sector individual. Yes, certainly there is some stipend involved with MLAs being chairs, but there's also a stipend available to the private individuals that sit on these boards. I'm not sure what the exact figure is, but they are eligible for a stipend as well. So I don't think there's any inconsistency there with an MLA or a private-sector individual being paid some form of stipend.

Another comment on intellectual property. The intellectual property is a huge issue as we work forward into this. Right now most of the intellectual property is generated at the universities, and universities are struggling with this themselves. For instance, if you're a university professor and write a textbook, you usually don't have to pay any kind of royalties to the university. If you develop some invention or some technology that comes out of your lab, then there's some kind of discussion that happens. I'm not sure what the form of the discussion is, but there's some kind of discussion that happens that has to do with royalties or licensing fees, and the policy is not constant. It seems to be, just from watching it from the outside, that if you're a very strong negotiator as the inventor or as the developer of the technology, you come out in a better position with the university. That is, you give the university less than if you're a weak negotiator.

So intellectual property is a huge issue both in Alberta and right across the world, actually, where research is being done. We really don't have a solution to that at the present time, but there are a number of models that universities are looking at. I believe as we get this Alberta commercialization and technology network working in Alberta, then a logical flow of that will be to look more seriously at the intellectual properties.

I'd just like to say that as we go forward in the future, when all of us are finished with our political careers, whenever that might be, I think we can look back at the legacy of this Assembly and all members can be proud as they see what their children and grandchildren are doing, in my case grandchildren. All members can be proud of the accomplishments of this Assembly when it comes to both Bill 1 and this Bill 7 that we will pass tonight.

Thank you very much.

[Motion carried; Bill 7 read a third time]

### **Bill 10 Securities Amendment Act, 2000**

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

MR. HLADY: Thank you, Mr. Speaker. I'll move third reading of Bill 10.

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

MR. SAPERS: Thanks, Mr. Speaker. Bill 10 is another bill that the Official Opposition has reviewed, has met with industry stakeholders on, and has agreed that the government is doing the right thing in bringing this bill forward. I'm glad that we've had a couple of these bills back-to-back in this Assembly, because I know there's been lots of grumbling lately. We heard some derisive comments earlier this afternoon when one of my colleagues said that, you know, the Official Opposition doesn't just try to be obstructionist, that we support the government when the government deserves support. We even in those cases of course will work to hold the government accountable for doing what it says it's going to do, and of course we will do that in this bill. But just to note that here we have a couple

of examples of some good policy initiatives being supported, even with some questions, by the Official Opposition.

Of all the issues that I've raised, I'm hoping that when the sponsoring member moves to close debate, he'll respond to a couple of the issues that were outstanding. He did address a couple during committee, but I think he may have some more to say. But of all the issues that have been raised and are of concern, I want to go back to this theme of subordinate rule-making, regulations. It's section 35 in the bill, which changes section 196 of the existing act, to do with regulations that can be made by the Lieutenant Government in Council.

Now, we understand the flexibility that is needed by the commission, and we understand the flexibility that's needed in terms of responding quickly to the market and how the exchange has to be open to response as well. But I must say that when you have an area of law that affects so many people in such a very basic way – it affects them in their pocketbook and in their cheque book – I'd like to see more effort made, first of all, to put details in the legislation and, second of all, to have the regulations developed in the most public of all ways.

I'd quote a quick example, Mr. Speaker, of what could happen when you have subordinate lawmaking, either by ministerial order or by regulation or by delegated authority. We saw that today in question period when the Premier was questioned about 150 doctors in Calgary who were protesting the government's policies to commercialize medicine. The Premier took that opportunity to make direct reference to a Dr. Ron Jadusingh, who's a pathologist in the city of Calgary. Now, he I think in a rather uncharitable way spoke about Dr. Jadusingh and may have even suggested that Dr. Jadusingh was being hypocritical. I believe he said that he should look at himself in a mirror or words to that effect.

The point, Mr. Speaker, is that here we have an individual Albertan, a private citizen and a physician of this province, who not by his own choosing found the circumstances of his profession changed. It was government policy to eliminate fee-for-service pathologists. It was government policy that fundamentally changed Dr. Jadusingh's ability to carry on his profession. That policy was done by a combination of delegated authority through the college and the Alberta Medical Association and by ministerial order, and in doing so, they went even further. The health minister at the time issued a memo stating that private-sector pathologists must have a place in this new private/public partnership when it comes to the practice of pathology and the provision of laboratory services.

So here we have an individual Albertan who's trying to do his job. I must say, by the way, that Dr. Jadusingh is a very senior practitioner who has achieved some stature and standing in the medical profession, particularly in his specialty area. So here we have this expert Albertan whose ability to carry on his expert practice was severely curtailed by government policy. To add insult to injury, when he complains about that policy, he's ridiculed in the Assembly by none other than the Premier.

9:10

This is part of my concern when it comes to subordinate rule-making and the role of regulations in law. I fully realize that the example of a pathologist being criticized by the Premier has little to do with the regulations that may be developed under Bill 10, but it's just the most current example, Mr. Speaker, of what happens when you make these regulations and make these policy changes in secret and behind closed doors: people tend to get caught in that cross fire. I would hate to be standing in this Assembly six months or a year from now and saying: look; here we have Albertans who have lost money, who have lost their life savings, whose pensions have been

put in jeopardy because there was a lack of clarity or understanding about the regulatory framework that had to do with the buying and selling of securities in this province. And I want to save the Premier the embarrassment of having to apologize for ridiculing another ordinary or extraordinary Albertan in the way that he did today.

So, Mr. Speaker, this is my concern. With all of these comments, I don't want to take away the support of myself personally and of every member of the Official Opposition for what's going on with the securities business in this province and the Canadian Venture Exchange and the leadership the Alberta Securities Commission has shown.

At the risk of this sounding almost too nice, I will once again thank the Member for Calgary-Mountain View for keeping me apprised of the progress of this initiative, as he has done in the past for other initiatives he's been responsible for. He and I may never agree about tax policy, Mr. Speaker, but I will say this. I do think he has the best interests of Albertans in mind, although his views on taxation may be a little misguided. But I do think he does have their best interests in mind, and he holds those beliefs sincerely. When it comes to securities, we're much more like-minded, so I want to thank him. I want to thank him for his earlier answers, and I hope he will help put my mind at ease a little bit about the very broad regulation section in Bill 10.

THE SPEAKER: The hon. Member for Calgary-Mountain View to close the debate.

MR. HLADY: Thank you, Mr. Speaker. I do appreciate the comments from the Member for Edmonton-Glenora. I would agree with him that the example he used around health care to deal with the Securities Amendment Act is definitely a little far-fetched. I also hear the comments the member has made in regards to concerns about the regulations, and if there is ever a concern that the member has, I know the new chairman will be as open as the past chairman of securities. Anything he needs or questions raised in regards to changes, we'll make sure that we get him those answers.

I'd move the question, Mr. Speaker.

[Motion carried; Bill 10 read a third time]

### Bill 15

#### Business Corporations Amendment Act, 2000

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I would move Bill 15, the Business Corporations Amendment Act, for third reading.

Bill 15 is a long-overdue piece of legislation which deals with the problematic section 42 of the Business Corporations Act and removes one of the long-standing tests which has caused a problem for lawyers, accountants, and businesspeople ever since the Business Corporations Act was brought in.

I would commend the House to deal with this quickly and improve the business processes in this province by doing so.

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

MR. GIBBONS: Thank you, Mr. Speaker. I'm pleased to rise tonight in the Assembly to speak to Bill 15, the Business Corporations Amendment Act, 2000, at third reading. I really think this is a very good bill, and all the way through it has been presented very well.

The intent of the act is to amend one specific section, section 42,

of the existing Business Corporations Act. The amendment in particular will rectify a number of problems existing with the section that are unworkable and cause Alberta business unnecessary expense and delays on certain transactions.

As I talked to friends that are lawyers, and as we did review and meet and talk with a number of people with the Alberta Law Reform Institute, the Law Society of Alberta, the Institute of Chartered Accountants, and the Canadian Bar Association in both Edmonton and Calgary, we were brought up to speed very quickly on this. Thanks to the Member for Calgary-North West and the department.

I feel that we have gone through this one very speedily. Actually, a couple of times I did mention to the member that this should have been a bill that was presented on some of those nights that we were in here so long on Bill 11, and we would have shown how fast a bill could actually go through.

We did point out in second reading, Mr. Speaker, concerns we had in section 42(2), and at a follow-up meeting with the hon. Member for Calgary-North West and Bob Foord from the government department, we agreed to amendments before they even came in here. I'd like to thank the stakeholders who reviewed the amendments and spoke very freely with the Official Opposition.

Mr. Speaker, this is a solution that will be workable for businesses. As I mentioned before, just because it's a business-proposed amendment doesn't mean that we'll be against it if it's presented and it's a good amendment. So at this time the Official Opposition are happy to vote with the government in the passage of this bill at third reading.

Thank you, Mr. Speaker.

[Motion carried; Bill 15 read a third time]

### Bill 13

#### Energy Statutes Amendment Act, 2000

MR. HLADY: I move third reading of Bill 13.

THE SPEAKER: The hon. Member for Edmonton-Glenora ceding to the hon. Member for Edmonton-Norwood.

MS OLSEN: Thank you. We have a little power in the back row here. Thanks, Mr. Speaker. I feel good about that now.

I rise tonight to speak to this bill. I have yet to be able to add any comments. I want to make it clear from the outset that I am supporting this bill, but I do have some concerns. I think they were registered by some of my colleagues at Committee of the Whole, but given my strong belief that delegated administrative organizations have to have a very strong framework, I feel that I need to speak to that issue.

9:20

From the outset we know that this particular bill extends the orphan well program to include other oil and gas facilities such as pipeline, gas plants, batteries, or compressor stations. I had the opportunity to work for a large Alberta energy company from '89 to '92, and I must say that knowing there is a reclamation process in place is very important given that some of these sites are just tremendously large and the environment is vulnerable as a result of these particular sites, as is in some areas the safety of Albertans.

It expands the purpose of the orphan fund to cover the abandonment and reclamation of most production facilities and provides for licensing of all new and existing facilities. It imposes responsibilities for abandonment on parties responsible for facilities and pipelines, and it regulates the transfer of licences for facilities and



pipelines to prevent dumping and to collect security deposits if licences are transferred to high-risk companies. Now, from the outset we also know that the industry feels they have a need to be able to use these funds and have some form of control over them. As it stands right now, they don't have that direct access to the funds. So I think this is a good step.

It's not to say that I don't support delegated administrative organizations, but I want to talk a little bit about the framework that I see as necessary. I recognize that this offers up a very narrow portion of what the industry does and how they're governed and regulated under this particular act. I also recognize that this is the industry's money. The funding sources come from an annual levy paid by the industry, and that's based on the number of inactive wells that each operator has. It is the main revenue source for the orphan well fund. There's also a substantial fee of \$10,000 for first-time licensees, and of course the other revenue generated is through interest on this fund. We know that the industry would like to be able to use the surplus from this fund as well in their particular industry.

Just to outline a couple of things I would like to see. I bring this into this debate, recognizing the narrowness of this particular amendment and recognizing that if there were other ways, the industry may have opted for avenues other than a delegated administrative organization. What I view as a good, sound framework is the preparation of a delegated administrative profile to assess whether a particular program, service, or activity is a candidate for delegation to an NGO. Well, we already know that the EUB is arm's length. This is going to take it, I guess, one arm further, if you will. Nonetheless, we need to look at the profile to be able to say that this fits with the expectations we have.

The profile would examine such issues as market strength – well, that's not necessarily an issue here when we're talking about abandoned well sites – political resistance, cost efficiency, quality of service, legal barriers, risk, resource monitoring and control. Those I think are still components of a DAO particular to this piece of legislation.

Conducting a detailed cost-benefit analysis outlining the cost savings and benefits that would be achieved by delegating the program and a clear rationale as to how delivery could be improved through the delegation – I think that particular issue is still top of the mind here. We do know that the industry looks after their own wells, that they are looking at reclamation in other areas, but we have to again be clear that we're providing rationale as to how delivery could be improved through this delegation. So is the orphan well fund going to operate better as a result of this particular legislation?

Once we make a decision, is that decision in support of the delegated administrative organization, a particular program, service, or activity based on economic criteria? The implementation of a full public tender process is required to encourage competition. Well, we're not really doing that here, because, like I say, this is very narrow, but we do know that the monopoly over the money exists within the industry. It's there. It's essentially their money, but again we need to clearly state performance standards and allow for effective follow-up monitoring by the government and the Legislature. That's the more particular issue that I would be concerned about.

As well, the notion of performance requirements and follow-up monitoring procedures. We need to be looking at the annual reports, one of which I happen to have here, business plans, and audits. The Auditor General has often made comments on the lack of monitoring. Because DAOs are one step further away from government, the entity can operate as it wishes. I know there was consideration for this, and I'm hoping that we can see this down the road, that the

Auditor General's office has some way to deal with the DAOs in terms of monitoring what's going on. That's the process of accountability that I would like to see with this particular bill. I don't think that's out of line with the needs of Albertans. Albertans need to know that a cleanup has occurred and that there are no environmental risks, that there's no cost cutting on the cleanup as a result of trying to save money on a reclamation, and that it's done with the intent of having an environmentally friendly area afterwards. I think that's an issue.

I guess the other thing that would help this is that CAPP, the Canadian Association of Petroleum Producers, supports this bill, and certainly, as I said, we do, but I think they've got a lot of work to do in terms of the education process for Albertans. Many people would not know that there is an abandoned well program that would allow and ensure their site cleanup and that they don't have toxic chemicals sitting in old abandoned pipelines, those kinds of things. The industry really is attempting to take some control and ensure that these sites are meeting the needs of Albertans in the cleanup.

9:30

I would like to see more work done in the education of Albertans in this regard. I think it would serve the industry very well. It certainly would enlighten us and give us some understanding of exactly what they're doing. I know that the oil and gas industry is participating and attempting to participate in making the environment and any environmental decisions they have to make in the best interests of Albertans. They're trying to reduce the environmental impact that their industry causes in special places areas and protected areas.

We see that conflict going on right now between the Environment minister and the energy minister. I think there is a balance. It's not all one or all the other. There is a way to come to the middle and resolve this. I know that the hon. Minister of Justice would be a great mediator and that he could help that process out a bit, because he's a great promoter of mediation. I think there is a middle ground that he could come to between these two ministers. In fact, the industry is looking for some direction and guidance and says: "Yeah, we'll get out of these protected areas. It may not be overnight, but let's work on some guidelines to do that." They're attempting to move forward in good faith. So maybe we can dig the energy minister's heels out of the ground and come to some form of compromise.

What happens when you see that kind of conflict is that it's actually a bad image for the industry, because the industry's message is not getting out. I think that if we're to say there's a balance, then let's reach that balance and let's show Albertans we're capable of doing that. Certainly as this government moves forward, it absolutely must assure Albertans that they're looking after and taking environmental protection very seriously. I'm expecting some leadership to happen from the government in that respect.

As I say, I support this bill. Kudos to the industry for expanding their actual program. It's not just orphaned wells now, as I said.

AN HON. MEMBER: Orson Welles?

MS OLSEN: Not Orson Welles. Orphaned wells. I'm getting some help, Mr. Speaker, from one of my colleagues. I know they shouldn't be helping me. It's been a war of words.

I was going to make this one comment. I was going to give the industry full marks for the use of acronyms. When we look at the orphan fund annual report, we see that there's FAC, CAPP, EUB, SEPAC, AFRD, AENV, and so on. They're great for acronyms. I thought we were bad in policing, but they've got us beat, Mr.

Speaker. We have an English teacher here who maybe can give them a hand. That would be the hon. Member for Spruce Grove-Sturgeon-St. Albert.

As I say, I support this bill, but I have reservations about delegated administrative organizations. I know we have addressed that issue, and industry is sensitive to that. I think that if there were a way other than a DAO, they would go down that path. With that I'll take my seat and see if the hon. Member for Edmonton-Glenora can master some acronyms.

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

MR. SAPERS: Thank you, Mr. Speaker. I appreciate that. This bill troubles me really only for the reason of the amendments that were brought in. My colleague for Edmonton-Norwood just spoke at some length regarding the fears of delegated administration, and I must say that when I first read the bill and understood the intent behind the bill and heard from the Canadian Association of Petroleum Producers, amongst others, about their urging for the bill, I was immediately in favour of it. Then when I saw the amendments, I thought: why are they going down this road again; why is the government doing this?

We've just had some discussion, as you know, about subordinate lawmaking and regulations, and this is in many regards even worse, because you're one step further removed, and you've got all the concerns about the role of the legislative officers – the Ombudsman, the Privacy Commissioner, the Ethics Commissioner, and the Auditor General – as it pertains to meeting Albertans' expectations to the same extent that they would be met were these same functions not delegated to another authority. So I will incorporate by reference those comments and concerns that Edmonton-Norwood just presented to the Assembly.

I don't want to take much time speaking to Bill 13, Mr. Speaker, but I do want to acknowledge the oil and gas industry for their diligence in pursuing this particular initiative over the last few years and for their fortitude, because really it was industry that led the government on this matter, not the other way around. Earlier today we gave second reading to what was described as an interim environmental protection bill, a bill that would deal with the protection of some heritage grasslands. The government seems to be ever so cautious when it comes to environmental issues. I would be happy to see the government be a little more bold and take a little bit more leadership in this regard, but as we are dealing with Bill 13 at the moment, it is the industry that demonstrated the leadership. The government demonstrated its ability and willingness to follow, and I suppose they should be commended for that.

I will be supporting Bill 13 at this stage and again pass along my thanks to the industry for identifying this issue, identifying some means to deal with it, and convincing the government to put the solution into law.

Thank you.

THE SPEAKER: The hon. Member for Calgary-Mountain View, to close the debate.

MR. HLADY: Question.

[Motion carried; Bill 13 read a third time]

### **Bill 16 Condominium Property Amendment Act, 2000**

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

MRS. LAING: Thank you, Mr. Speaker. Bill 16 will provide much-needed legislation for the rapidly growing condominium industry. It provides commonsense guidelines which go a long way to meet the needs of the industry and also provide much-needed consumer protection.

Mr. Speaker, the amendments in Bill 16 were developed through consensus by a very dedicated group of stakeholders, and I would like to express my appreciation for the work done by these stakeholders, who are very interested in seeing this become law. I would also like to thank Frances Cruden from the Department of Government Services, who has played a major role in the drafting and refining of the legislation. She also made herself available to answer questions of Albertans and to discuss it with our loyal opposition.

Thanks also to the Minister of Government Services for her assistance in taking the bill through second reading and Committee of the Whole. Last but not least, I would like to thank the Liberal critics who deserve much thanks for their co-operation in the support of Bill 16.

Mr. Speaker, I would like to move third reading of Bill 16, the Condominium Property Amendment Act, 2000.

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

9:40

MS BLAKEMAN: Thank you very much, Mr. Speaker. I'm glad to have the opportunity to speak to Bill 16, the Condominium Property Amendment Act, 2000, in third reading. I hope I have this quote right, but I'm pretty sure I remember it as: politics is the art of compromise. I think this particularly applies to . . .

MS OLSEN: Except on Bill 11.

MS BLAKEMAN: I've just been upstaged by one of my colleagues. I'll try to carry on.

I think that really applies to Bill 16. I mean, we have four very specific interest groups or stakeholders. Stakeholders is probably the best choice of words, because they have significant financial interests in how this legislation lays out the rules and regulations of how condominiums operate, the developing, the purchasing, and the living in them. The four groups, of course, would be the developers; the property management companies, which in many cases are hired by the boards to take care of business around the condominium – and often a property management company will act as the local resident managers rather than having a local resident manager – the board of directors, or the corporation as it often appears in the legal language; and the owners themselves.

There can be and have been conflicting interests around this act. I make no secret of the concerns I have brought forward on behalf of the owners, because frankly, as far as I know, it's mostly the owners that I'm representing in Edmonton-Centre. We have a very large number of condominiums there, mostly because they're in high-rises, so you've got a high concentration of people in a very small area.

It's been interesting as we've gone through the process of this legislation. I've talked to a lot of people now in Edmonton-Centre that live in condominiums, and one of the points that was raised is that when there's a difficulty that arises out of the legislation that causes conflict in the condominium, the owners are very reluctant – and this is what I sensed over and over again – to make a big deal, to start a fight, to make a big ballyhoo about something, because as one fellow put it: it creates disharmony in my home. And he's right. I can imagine that if you're having an argument with somebody on the board of directors and then you have to get on the elevator every morning and look at this person, it does create an uncomfortable attitude. I'm very sympathetic to that.

We all understand what the rules are for single-property ownership. You're responsible for everything. You're responsible to save money to fix your roof or not, as you choose. But we don't have enough history with condominiums and with that kind of communal but separate living to have ironed out all the possible situations that arise that affect people.

It certainly was high time that we had an update of legislation. I think the act that we're operating under currently is from 1980. There was consultation and a bill brought forward and indeed passed, an amendment act, in 1996 which was never proclaimed, and then we have this amendment act 2000, which is in fact amending the '96 act, which in turn amended the 1980 act.

This has been a long time in coming, and while I have the opportunity, I'll put in a plug for a regular sunset clause. Given the number of new issues that come up fairly quickly in today's world, I think it would have been a good idea to put a sunset clause into this legislation. It's not there, but perhaps I can get the recorders of all this to diarize and maybe in five years' time or even three years' time have another look at the legislation.

My concern about this act is that it be as balanced, as fair, and as equitable to all those parties as possible. I am not able to overcome my belief that this is still not balanced for the owners, so we will keep working on this.

I note that the Member for Calgary-Bow mentioned the consultation and thanked all those that were involved. When I first spoke to this bill, I was perhaps a bit harsh on the Condominium Institute group, which had in fact been invited by the minister and had participated in consultations prior to the legislation being introduced. They were very quick to contact me and come in and meet with me and give me their briefing book and try and reassure me about some of the issues I had raised. A number of the issues I had raised had come through an association called the Condominium Advocate Association, which, I think, only represents owners. The other groups have represented a combination of developers, property managers, board members, and some owners, and I was concerned that this group in fact hadn't been consulted before the legislation. Happily, they have finally been able to meet with a department representative.

I just want to set the record straight here. I know there were comments made in the Assembly that the Condominium Advocate Association had been approached and had refused to come in and meet with departmental staff. In fact, I think the very day that was being said, they had finalized a meeting date with the ministerial staff, so to say that they were not interested in coming in to meet is unfair. In fact, they were negotiating to do that. They did meet with the ministerial staff today. Unfortunately, that was after Committee of the Whole was past, and therefore their suggestions were not able to be incorporated or brought forward through an amendment. That's certainly disappointing to that group.

Also, in working with them, we discovered, as we know in this Assembly, that when an amendment act comes forward, we're really only free to be discussing and proposing further amendments to the sections in the original bill that have been opened up by the amending act. A number of the concerns that were brought forward by the Condominium Advocate Association were on sections from the '96 act that were not being amended, so they were sort of out of luck on that.

Now, the outcome of the meeting, as I understand it – and I have to admit that I didn't get a very lengthy briefing on it – was that a lot of their concerns, they were told, would be dealt with in regulations. As always, I have a deep concern about that. From my experience in this Assembly there's an awful lot that is put over. Important decisions and definitions and how things are going to operate are put

into regulations. Well, those regulations are developed behind closed doors. They don't have the scrutiny of the Assembly. They're not recorded in *Hansard* for easier access for people to read the debate and understand the various sides of the argument that are being put forward.

I have also had both personal experience and have heard from community members that it's very hard to find regulations to things. Where do you start looking? I don't know if they're available through [www.assembly.ab.ca](http://www.assembly.ab.ca), but in some cases they're not. So in this case may I urge the government to please post those regulations on the web site and not make it difficult for people to get hold of these, because this is the nitty-gritty, this is the how of how the whole piece of legislation is supposed to work. To somehow be tricky about it and say, "Oh, well, phone the Queen's Printer" or "You have to go there directly" or "No cheques, no Visa; it's got to be a money order or cash" – I mean, there are all these obstacles put in the way of people trying to get information that really affects their most intimate daily lives. This is how they live and where they live.

9:50

I know that the opposition brought forward what has become our standard amendment, to refer the regulations to the all-party Standing Committee on Law and Regulations, and in what has become a common occurrence, it was defeated. Nonetheless, I still think that is a very useful parliamentary process that is not taken advantage of by this Assembly. Again, that would put the comments in *Hansard*. It would give time for people to circulate the information back to their constituents and get feedback and bring that forward, and it makes it wide open to any stakeholder that's interested rather than just those that are invited.

I just wanted to put a couple of things on the record, unresolved issues. I think there is still an issue around the "common property" definition. It does appear exclusively in section 11, not at the front of the bill, which would make it apply to the entire bill. I'm still not clear about why that choice was made, but it was made. We have examples of where that is causing problems now, and that's why I'm interested in the sunset clause as well or at least an agreed-upon or committed-to review within a few years to see whether this has in fact turned out that way. Some of the examples around the common property are a number of the condominiums or the developers that set them up. In fact, there is no common property. Any common property like a party room or something like that is often designated as belonging to the corporation, and therefore it's not common property anymore.

When you get to things like municipal property taxes, transfer leasing, insurance coverage, exclusive use, you're out of luck, because what's in there designated for the way common property is to be dealt with, what the common property is, what people would generally assume it to be, has been called something else, and therefore none of these things apply. So I think we really need to work on that and tighten that one up.

You know, the developers risk their money in the beginning to build the condominiums or convert them, and thank God for that. They deserve the credit for taking the risk. The Alberta economy runs on that sort of entrepreneurship, and I applaud it. But in the end the owners and the boards of directors are left, and 10, 15, 20 years down the line that's who's dealing with the issues that arise around this. That's why I am so adamant that the legislation work for those owners and for the boards of directors, because that's who deals with it. Once the developer has pulled up stakes and has completed their part of the bargain, they're gone. They have no more involvement with this, but the owners certainly do, which is why I keep raising their issues.

I have heard stories and haven't been able to confirm them – and I'll admit that on the record – around the issue of the trust money being set aside. Now, if the owners have to set aside money, why aren't the developers having to set aside money? Again, that's something I want watched over the next three years or five years. I think three years is a more suitable time for it. As I say, I have heard but have not been able to confirm that developers in fact have walked away from completing the common areas, and there doesn't seem to be any way to reach back and deal with that for the developers.

Another issue that I think is ineffective in the way the legislation has passed and in the form it is in is around condominium fees. I know that even members of this Assembly are condominium owners, most of them in my riding of Edmonton-Centre.

MRS. SOETAERT: They have a good MLA.

MS BLAKEMAN: Yes, they do.

You know, the way this is set up is that the developers write the first set of bylaws to get the whole condominium corporation going, and at this point the condominium fees are going to be set by bylaw, so we have the developers, in effect, setting those condo fees. I think that's an area we're going to have to watch. Further down the line I think the effect of it will be that the board of directors of the condominium corporation, who administer and enforce those bylaws, can pick and choose who pays what. That may well lead to quite a few problems if you've got a family with six kids and a single senior. Are you going to start charging them different rates for garbage pickup? Well, I can tell you that in the city of Edmonton we've gone that route and it's misery, so I think that's something we really have to watch for.

Once again, user-friendly language. As I've said before, this is a bill that people really need to be able to understand easily. They need to be able to understand the regulations easily. They've got to have fast access to both these things, and they've got to be easy to understand. There's some wild and wonderful legalese that comes out of this document. I know it's complicated, and I know we're dealing with very fine details of law on this, but boy, we have to get average people to be able to understand this. We will alleviate a lot of the problems that arise, because it is misunderstandings that cause a lot of this.

As I've pointed out a number of times in this third reading, I think we really have to be vigilant to ensure protection for the owners. As I said, they're the people that are left with the final effect of the changes that are being instituted in this amendment act, 2000. I want to see this be the best bill, and if we have to bring it back again in another couple of years, I'm more than willing to do that and to work with the government – in a few years I suppose I might be on the other side; I'd be working with myself – to make this the best possible legislation and protection for all those stakeholders that are involved in this. So a somewhat disappointing process, but hopefully there have been some things improved. I appreciate the Member for Calgary-Bow's kind words and was impressed with her acknowledging the people and staff that she worked with on the bill.

I've come to almost the end of my time. I appreciate the opportunity to speak to third reading of the Condominium Property Amendment Act, 2000. I'm not sure if others wish to speak to it.

Thank you very much, Mr. Speaker.

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

MS LEIBOVICI: Thank you, Mr. Speaker. I, too, rise at third reading to speak to the Condominium Property Amendment Act.

Over the last little while I've had some correspondence from constituents who have concerns with regard to this particular piece of legislation. Though I recognize it has been long in the making and that in fact it is an amendment to a piece of legislation that perhaps is becoming old in terms of the way it deals with condominiums across this province, the reality still remains that there is a group called the Condominium Advocate Association which has prepared significant amendments to Bill 16 in its current form. It is disturbing to hear that the meeting was held this morning, and here we are at third reading. So, in effect, their concerns were not really taken into account.

10:00

Now, in my particular constituency I have a large number of condominiums that are appearing. It seems that almost daily there's a new building that goes up. So for my constituents this is a major concern. In fact, when we look at what some of the movement is of the government with regards to aging in place and assisted living concepts, what we are seeing now are condominium projects that are geared exactly towards a population that becomes more vulnerable as they become sicker.

I can think of one letter on my desk right now where the family was promised that there would be a long-term care centre attached to the condominium. Due to lack of funding by the regional health authority the long-term care beds have not materialized. The reason that the condominium was purchased was because there would be very little upheaval to the parents as they required more and more nursing care. Now we have a situation with a couple who are in their 80s. The wife is blind, and the husband has advanced dementia, and there's no place for them to go. They've been waiting for three years as the situation has gotten progressively worse, and still there is no spot for this particular couple to stay together and to follow through with a promise that had been made to them when they purchased their condominium.

So we know that things are moving in this province in a direction that I don't necessarily agree with. If there is going to be more and more onus put on individuals, then there has to be more consumer protection provided within the pieces of legislation that we see in front of us, consumer protection with regards to private health care, profiteers who will be knocking on the doors to ensure that they can have their profit margins looked after but not necessarily the needs of the individuals who are spending their hard-earned dollars on promises that may not materialize.

I think, too, of another case of an individual in my riding who has had a paper bag hanging from his ceiling in his condominium unit for over two and a half years now because it leaks. So he's brought the pictures to me, and he's gone to his association. He was actually on the board of the association at one point, and he could not get this fixed.

If we are looking at ensuring that there are needs addressed for condominium owners, then that is what I believe the thrust of this particular amendment should have been. When I looked through the Condominium Advocate Association report, that does not seem to be the direction that was taken with regards to putting forward the amendments.

Now, we have the promise waved in front of us that, yes, the regulations will take care of some of the issues, and perhaps that is possible. What disturbs me is that when I look at some of the letters in support of the bill, there seems to be a misunderstanding that government bills are looked at every two years. I don't know if there's been a promise made by the department to certain individuals to gain their support, that what is required is for the bill to be passed in its current form and we'll take care of any concerns you have in

the next year or so, because that is what the government policy is, that in fact acts are reviewed every two years. That is not the case. I wish to put on the public record that there are no sunset provisions in this legislation that I am aware of.

When we look at the regulations, this in fact would be a prime area to have that committee we keep talking about that every other jurisdiction across Canada has put in place, has recognized is part of the democratic process, and is not running scared: an all-party committee to look at laws and regulations. When we have organizations that are not satisfied and have a list of 29 pages – this was not a one- or two-page analysis that the Condominium Advocate Association put forward – of issues that were outstanding and I understand have not been addressed fully, to be patted on the head by the government and told that it will be taken care of at some point in the future I quite frankly don't think is good enough.

So on behalf of the constituents that have taken the time to let me know of their concerns and on behalf of the Condominium Advocate Association, which has also copied all the MLAs, as a matter of fact, on their concerns, I would like to state that I will keep a close eye on the regulation-making process and would advise all members who have condominiums within their constituencies to also watch whether those particular concerns of condominium owners are being addressed through the regulation process. I would hope that the government does have the courage to put forward the Standing Committee on Law and Regulations so we can ensure that in fact we have an open process of the development of regulations with regards to the Condominium Property Amendment Act.

Thank you for the opportunity to address some of those concerns.

THE SPEAKER: The hon. Member for Calgary-Bow to close the debate.

MRS. LAING: I'd like to thank all members for their participation in the debate. As you know, regulations are also going to be done with stakeholders having a large part in the consultation, and they will be shared so that people have an opportunity to look at them. So I'd like to encourage all of you to support the bill.

Thank you. Call the question.

[Motion carried; Bill 16 read a third time]

### **Bill 17**

#### **Fair Trading Amendment Act, 2000**

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I would move Bill 17, Fair Trading Amendment Act, 2000, for third reading.

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. This is a chance to just conclude on the options that are available by changing the laws under the Fair Trading Amendment Act, 2000. This bill effectively is one of the cases where we've seen legislation that has come before the House, been passed, and then we go back and just try and clarify it and make sure that it does what we wanted, where we have to make kind of grammatical changes in the bill as we find out that the actual interpretation of sections when we try to implement them doesn't really carry through with what was intended. I think what we need to do is just recognize the fact that all of us, as we begin to work hard on these, read them and read them and read them, and finally we're reading what we want to be written there even though

it's not quite what shows up when the words are read by somebody else. I think that's the case that we're seeing here.

So it's great that the government brought forward this amendment, and we'll clarify how this really is going to work and how the relationship between the different entities that are going to be required to report will be reflected either by designation through the regulations or through co-operative agreements between data collection and data holding agencies. I think this will be welcomed by all of those that are involved in the credit reporting and will clarify what they can and cannot do as they work with each other and as they work with arm's-length agencies.

I think the government is making this bill more operational, and we should all support this amendment. Thank you.

[Motion carried; Bill 17 read a third time]

10:10

### **Bill 23**

#### **Apprenticeship and Industry Training Amendment Act, 2000**

THE SPEAKER: The hon. Minister of Learning.

DR. OBERG: Thank you very much, Mr. Speaker. I would move third reading of Bill 23.

This bill quite simply will make apprenticeship and industry training much easier. It'll simplify it, and it will make it much more effective. An already good system will become that much better.

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

MS BLAKEMAN: Thanks, Mr. Speaker. I just wanted to raise a few other continuing concerns around Bill 23. Now, we're in third reading, so really I'm limited to speaking about the anticipated effect of the legislation. I understand that there was a motion put forward by the Official Opposition last night which was defeated. The effect of the bill would have been stronger with that amendment, but I will accept that it was defeated.

My concern around the effect of Bill 23, the Apprenticeship and Industry Training Amendment Act, 2000, is that this is what really protects the workers and also protects the public. We need our workers to be working in an atmosphere that is safe to them and is cognizant of the difficulties that can arise.

[Mr. Friedel in the chair]

We've all had workers in our offices or from our life previous to being elected who, you know, were asked to work and the conditions weren't safe but would they lose their job? All of those kinds of things. That's why it's important to have a really strong apprenticeship program where you do have a journeyman or a master working with the apprentice to train them on exactly how to do things, to be aware of all the other components of the job and the occupational health and safety parts of it.

It's also important that we have our apprentices well trained because they build buildings and bridges and important parts of the world around us which we as the public need to know are well built. We can all think of those examples where a bolt was loose in a bridge. Those great big concrete siding panels were on a building at the university when I was there, and they kept sort of falling off. You know, it's that kind of thing that's of concern to the public, and we want to know that our workers are trained to do the work properly and safely. So it really affects both of those parties.

Part of what I understand is now possible to put in place – and

there are the usual ins and outs and provisos in the legislation. I understand that this would most likely come into play in areas outside of major urban centres, and that's a situation where you have someone who is a journeyman in a trade who can now be allowed through what's proposed in this act to also do other trades. Certainly I can see where that might be wished for sometimes in rural areas where you may not have access to a steamfitter and a boilermaker and a plumber and a gas fitter and a welder, and all different ones. If you had a journeyman gas fitter, well, you know if he could weld, then why can't we just call him a welder as well and let him do the welding stuff out there?

MRS. SOETAERT: And do it very well.

MS BLAKEMAN: Some of them I'm sure can, but there's a concern there. My concern is always for the safety of the worker and the safety of the public.

I'm recalling that during second reading my colleague from Spruce Grove-Sturgeon-St. Albert told of a little lesson she'd learned.

MRS. SOETAERT: My husband learned it too.

MS BLAKEMAN: And her husband learned it too. They were trying to do something themselves and ended up with . . .

MRS. SOETAERT: One stove not working.

MS BLAKEMAN: Yes.

. . . one stove not working, one stove working, and had to bring in a real professional to figure it all out.

That is my concern with this. I believe in being flexible and anticipating the modern world we live in, but I still have concerns about this. I'm worried about what kind of tests or what kind of proof a tradesperson could be asked to put forward if they're going to be asking for this sort of general description or be allowed to work in a second trade when they hold journeyman status in a different trade.

[The Speaker in the chair]

As I mentioned during the debate on the condominium act, I think it's important in this rapidly changing world for us to be willing to monitor things really carefully, changes that we're putting into legislation. I hope that the ministry is looking to monitor that change in particular very carefully, because I don't know that it's appropriate. I'm choosing my words carefully here because it may well turn out that this was a great idea, but it doesn't ring true to me. It doesn't make easy sense to me that because you're a journeyman certified in one trade, gosh, you can be okayed by the minister or his designate to do it in another trade. That's simplifying what's being put forward in this bill, but essentially that is it, and I think that subverts the apprenticeship formula we've worked under for a long, long time, and not only here in Alberta. I mean, the whole idea of learning a trade and coming up as an apprentice to someone goes back to the Middle Ages and beyond. So it's a caution I'm putting forward when I look to the effect of this bill, but it is a real caution that I do have.

There's nothing to stop individuals, if they want to hold a ticket in more than one trade, from getting it in more than one trade. As I said, my father had tickets in five trades, and he was a master in three of them. My brother is a journeyman ironworker and is now working on his welding ticket as well, so it certainly can be done.

It does require effort from the individual, but I don't see that that's any different than someone getting a bachelor of arts and then going back and getting their master's in arts. If you're really interested, you know, go and get your BEd or your bachelor of science or whatever else.

I believe in that education and I really believe in the value of that training. I have real reservations about being able to say, "Well, it's convenient, so we'll just wave the magic wand and say, 'Go ahead.' We'll call you the additional trade as well as the one that you've actually apprenticed in and come up through."

That was the point that I wanted to raise in this bill. I know that my colleagues have spoken long and often on this, people with more experience in this area than I have. I know that in fact my colleague from Edmonton-Gold Bar is a tradesperson, and I hope he's going to be able to give us a few words on this bill. [interjection] Yes, he is quite a wise man, and I know he would give us more wisdom.

I'm just quickly reviewing my notes. That's right. When I had spoken on second reading, I was talking about a de-skilling of the workforce, and it was my suspicion that that's what this bill was about. I was heckled loudly for wondering aloud about that sort of thing, but in fact when you consider the remarks that I just made about certifying someone in a second trade, that is de-skilling because it's saying that you don't have to go through that apprenticeship stream and do the time and walk the talk to get that distinction.

10:20

I know there were concerns that were brought forward by some of the unions. I've read through the Alberta Apprenticeship and Industry Training Board backgrounders with sort of a question-and-answer thing about were people consulted, and they seem to have been. I always find when this legislation comes forward here – I know the government feels legislation doesn't move through quickly enough, but I've got to tell you that in my office I get people phoning up, often after the bill is passed or when it's in third reading, and going: well, why didn't I know about this, and why can't I get a chance to speak to it? That is about consultation, and it's about the widest possible dissemination of information that these changes are being considered. You can learn a lot by test-driving ideas on people that you know up front are not going to like them. I've often taken proposals and ideas to people that I know are going to object to them, because I get really good information and usually straight from the hip, which is often the most helpful way and certainly gets rid of any misunderstandings.

So those are the remarks that I – oh, sorry. There was one more thing, about crane operators, because I have a friend – now, you'll all chuckle, because he's an old snowmobiling buddy. I'm sorry; he's not old. We have snowmobiled together for a long time. It was in this Apprenticeship and Industry Training Board question-and-answer document, and I know that they – yeah, it's about boom trucks, working on boom trucks.

DR. MASSEY: I think you're making this hard on *Hansard*.

MS BLAKEMAN: I'm sorry. I'm making it hard on *Hansard*.

You know, there was a perfect example of how important – I'm looping back to where I started here, so it's a nice closer. He was one of the best crane operators in western Canada, I think, and was severely injured in operating a crane and will never work in that industry again. So there's a worker injured, and I'm not clear on the whole story because I just heard it very briefly, but I think there was also injury to property. Those were the two things I was talking about, where equipment malfunctions or where buildings that have been built by trades workers could come apart and injure other people. Those are the things we should be most concerned about

here as legislators. We're the ones that are supposed to be making sure that the best possible guidelines are laid out for this.

Sorry to make this so difficult for *Hansard* as I mused aloud, but I did want to acknowledge that that had certainly been the experience of my friend, and I wanted to bring it up and underline how important safety is to all of us.

With those few words I will take my seat, having spoken in third reading. Thank you.

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

MR. MacDONALD: Thank you very much, Mr. Speaker. I'm anxious to rise at third reading. I have a few remarks, reluctantly, at this time regarding Bill 23 and what it doesn't and what it does do. After hearing various voices from all across this province regarding this initiative, I can certainly see where some individuals are excited about supporting this legislation, but I can also see where there are many reasons for reservations and many reasons for caution, and I cannot in all conscience support this legislative proposal.

[Mr. Shariff in the chair]

At the same time, I would like to congratulate the hon. minister and his staff. They have had a wide-ranging consultation process, but I'm not convinced, if I look at the history of this province, that this is a good piece of legislation. I can only think, for instance, of the tower crane in Calgary. In the downtown section of Calgary unfortunately a counterweight plummeted off the back of that crane right to 4th Avenue I think. It narrowly missed a mother and her child in a pram, and that was the fortunate part of this incident, that there was no loss of life involved.

Whenever we consider this and we consider the time and attention to detail that's necessary whenever the tower crane is initially set up or erected, we have to have full confidence in the individuals who are not only doing those operations but also guiding them. That is one incident, Mr. Speaker, that tells me that we have to hold on here, and we cannot allow any dilution or watering down of our trades, whether they be compulsory trades or whether they be optional trades. In fact, I would like to see a lot of the optional trades moved into the compulsory certification column. Certainly I would like to see carpenters, for one, moved into the category of a compulsory trade, but who's to say if that will ever happen?

Also, in Calgary two years ago I questioned the minister of advanced education at that time regarding this specific issue. That was that unqualified individuals were employed in fabrication shops in the steel industry in Calgary, and they had welding tickets, tickets to be fitters. It didn't say for what, whether it was pipes or plate or structural, but they were fitters, and this was brought to my attention. I brought this forward to question period, and the answer I received was that these tickets were used simply as a means of identification, but all hon. members of this Assembly know that there was work going on in that shop and someone was doing it. I don't know how the client or the purchaser of the steel products in that shop felt when they realized that unqualified workers were involved in the process.

This is a very, very serious issue, and there are no amendments to the Apprenticeship and Industry Training Act that are specifically going to deal with an issue such as this. What this bill does in section 22 and further on, unfortunately, in section 33 of the amendments is allow this sort of activity not only to continue but in my view to continue on a grander scale. We have to ask ourselves the question: who benefits? Who is going to benefit from this activity? In the long run it is my view that no one will.

Now, we look at some of the compulsory trades. I spoke about welding last evening, and I realize that many of the rig welders

across the province when they get word of this are not going to be happy. I don't have any view or vision of them coming and circling the Assembly, but they are going to be very concerned when they realize that their trade – and Alberta welders are famous for their proficiency and their expertise – is being watered down.

10:30

Now, at this time I would like to speak about the electricians and how this legislation will affect them. The electrical industry certainly has changed. There are industrial plants, there are companies, there are corporations that feel that they should have their own electrician, an exclusive company electrician, not accredited by the province or by the Minister of Learning's department but by their own department of learning, if I can use that term, Mr. Speaker. But if we were to allow corporations to regulate or monitor their own training programs for electricians, well, that would be fine if it was specific to occupational health and safety training or upgrading on specific equipment, for instance, that was to be used in part of their process or their process stream and it was unique equipment, but there have to be, I believe, provincewide standards.

Now, if we allow corporations to train, for instance, their own electricians and if that person, he or she, is working there for 10 years and has, for instance, an ABC refining company electrical certification in their pocket and if for corporate downsizing or any other reason they decide to leave that company, leave that job, that trade certificate is not worth the paper it's printed on. This is one of the concerns I have.

Now, the electrical trade is always changing. It's changing very rapidly. I acknowledge that. There always has to be upgrading. But whenever we look at the development of, for instance, tech cable and we look at oil installations and industrial installations across the province, this is also very much like Meccano. There are a whole series of trays erected. They're going in this direction, and they're going in that direction, and they are to hold – I'm sure all hon. members are familiar with this – the black cables that are in various diameters. With the development of these tech cables, they're very flexible and they're fireproof. They're very safe. Some of them can be designed for underground use. They save a lot of installation time.

What companies have done in the past, Mr. Speaker, is take young people off the street and employ them to be cable-pullers. They're gathering their hours for their apprenticeship in this way. Let's say that we pay them \$10 an hour, and then these young people get enough time and their schooling in, and they go to second year. They're second-year apprentices now. Companies have been known to hire another group of first-year apprentices, and the individuals who are in second year, because they're going to make maybe \$12 per hour, for instance, are unemployed because they have been replaced by a cheaper supply of labour. They have difficulty getting their apprenticeships and training completed. For instance, some people can become journeymen and have great difficulty terminating a junction box because they have all their specific training on one task, and that is distributing tech cable in these trays.

If we look at the amendments to section 33 here and we look at "with respect to a compulsory certification trade, [and the establishment of] one or more specific undertakings or a portion of those undertakings," this is where this whole idea of an optional certification trade comes into play. What's to stop a large electrical contractor from requesting this? Perhaps we're going to have trade-specific details relating to termination at junction boxes. It could be any number of things, but I do not believe that this is in the best interests of the electrical contractors or the electricians.

Now, that is a specific example, Mr. Speaker, but we need to ensure – and there's a price involved in this; there's a shortage of

skilled tradesmen in this province as there is – that there are always young people entering the trade or the profession. We need to ensure that standards are there. This bill erodes those standards in my view.

When we look at the age of the workforce, we need to encourage young people to enter the trades. Many people do not realize that they can make a very good living for themselves in the trades, and we need to encourage people. They need to have the confidence that if they make the time and the effort and the commitment to attend either NAIT or SAIT or whether they want to learn on the job and write their ticket off, that ticket is going to mean something.

It is going to mean something not only the day that they proudly get it with the hon. Minister of Learning's signature on it, but five and six years down the road that that certificate's value is not going to be eroded because of some ministerial decree or a company over here now that is permitted to operate outside the board, to have input with the minister or other organizations or associations or persons. This could be Merit Contractors, Christian Labour Association of Canada contractors who believe that this whole idea of a union contract with different crafts having different organizations or multicraft sites is not efficient. It's not the way they would like to see a workplace organized. They have the view that one hon. member, for instance, could maybe do carpenter work in the morning and do electrical work in the afternoon. Maybe the next day the cement truck is coming in, and he or she could possibly be the cement finisher. This concept is not in the best interests of this province or the industries that we're so proud of.

We look at the governments of this province in the past and what they did to enhance and promote the trades and apprenticeships and the regulations, the whole governance. All hon. members of this Assembly will acknowledge that part of this so-called Alberta advantage is that many individuals, thousands upon thousands, can pull out of their pocket a ticket with the hon. Minister of Learning's signature on it and probably get a job in a foreign country because it will say Alberta on that ticket. I'm not convinced that this will be the way of the future, because there are just too many loopholes in this legislation to allow for the erosion of our trade programs. If it's good enough for one group of individuals that they should attend school or they should work in a specific shop to learn the scale, then it should be good enough for everyone. There should be no shortcuts.

10:40

We look at some of the things that have happened in this province with faulty workmanship. I will bring to the attention of all hon. members of this Assembly again the accident that happened in Swan Hills. As a result of that accident, there are PCBs, furans, dioxins all scattered for who knows how far in a radius around the plant and into the food chain. This was caused by faulty welding on a repair job. Unfortunately, we can't get to the bottom of this because the exhibits have been sealed from public view by the judge. If we could only look at the blueprints, if we could only look and find out who the contractor was, who the welders were, what certification they held, what sort of testing was conducted before, during, and after the job, we could get to the bottom of this and ensure that it doesn't happen again. The tower crane accident in Calgary. Hub Oil, the unfortunate accident last summer, which I understand is still under investigation.

We look at the province and the further development of the tar sands and what that means to people who hold trade certificates. It's a future for them. We need to ensure that the training they receive is going to be protected so that, as the hon. Member for Edmonton-Riverview would say, not every Tom, Dick, and Harry can suddenly become a B welder or an electrician or an autobody mechanic.

I spoke a little bit about that last night and the frustration that people have whenever they come into the constituency office and say: I paid the journeyman rate, and it was an apprentice at piece-work working on my car. They were disappointed in that. They said: what can you do? There's basically very little that can be done, because there is no enforcement of what we have already, and I think we're diluting it even further.

When we look at steamfitters, when we look at plumbers, we never think of how much work they do and what it means to society or the community. We look at operators of cranes. The hon. Member for Edmonton-Centre brought this up. We must ensure that we have a well-scaled, adequately trained workforce. We cannot do it by eroding away the standards that already exist and have been put in place by previous governments, and I believe that's what we're doing with this Bill 23. That is the reason why I cannot support this bill. I hope over time, Mr. Speaker, that I'm proven wrong and that my concerns about this bill are not justified. But at this time, after consulting with many individuals, unfortunately I cannot support this bill.

Mr. Speaker, I thank all hon. members of this Assembly for listening to my remarks, and once again I would in closing like to commend the hon. Minister of Learning and his department, but I cannot accept this. Thank you.

THE ACTING SPEAKER: The hon. Minister of Learning to close debate.

DR. OBERG: Thank you very much, Mr. Speaker. I'd just like to say that this bill has been the result of three years of consultation. It has been the result of a truce between the employers and the employees, and realistically I feel and the employers and employees, the unions, and the apprentices all feel that this will lead to positive results for the apprenticeship and training industry.

With that, Mr. Speaker, I would ask that the question be called.

[The voice vote indicated that the motion carried]

[Several members rose calling for a division. The division bell was rung at 10:43 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Speaker in the chair]

For the motion:

Boutilier	Gibbons	Paszkowski
Broda	Graham	Renner
Cao	Hancock	Severtson
Clegg	Hlady	Shariff
Doerksen	Johnson	Stelmach
Dunford	Kryczka	Stevens
Evans	Langevin	Tarchuk
Forsyth	Marz	Taylor
Friedel	McFarland	Woloshyn
Fritz	Oberg	Zwozdesky

Against the motion:

Blakeman	Massey	Sapers
Leibovici	Nicol	Soetaert
MacDonald	Olsen	

Totals:	For – 30	Against – 8
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[Motion carried; Bill 23 read a third time]



head: Government Bills and Orders  
head: Second Reading

(continued)

**Bill 19**  
**Alberta Income Tax Amendment Act, 2000**

[Adjourned debate May 15: Ms Carlson]

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. It's a pleasure to rise to participate in the debate at second reading of Bill 19, the Alberta Income Tax Amendment Act. This bill has a very simple and straightforward premise: lowering taxes for Albertans. The backbone of this bill is to remove the surtax which was placed on Albertans some number of years ago to deal with the then deficit, and as has been pointed out many times over the last five years, the deficit is gone. We've dealt with the net debt. We're now paying off the supported debt of the province, and it's long overdue that the surtax be removed.

The bill is as simple as that, Mr. Speaker. It doesn't require a lot of debate, but we hear again that the Liberal opposition is opposed to lowering taxes for Albertans, is opposed to Bill 18, is opposed to Bill 19, and that they will be standing in front of those bills and doing everything they can to stop passage of those bills on a timely basis so that Albertans can be secure in the knowledge that their taxes are going to go down.

Mr. Speaker, Bill 19 should be debated and should be debated fully. However, I don't believe that the people of Alberta will be well served by reasoned amendments or referral amendments or those sorts of amendments, so I would move that pursuant to Standing Order 47(1) the question now be put.

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

MR. GIBBONS: Thank you, Mr. Speaker. I'm pleased to stand and speak to Bill 19, the Alberta Income Tax Amendment Act, 2000, even if Standing Order 47(1) has been put forward.

As the Acting Treasurer presented this Bill 19 on April 3, 2000, he started out by saying that it's a milestone as a net debt is disappearing. He also alluded that it leads to elimination of the 8 percent deficit elimination surtax. This tax was imposed by the same government that he came into in 1986. The day this was brought forward in 1987, he actually sat with the government of the day when this was involved. It was brought forward as a temporary measure – and we are now sitting in May 2000 – for Albertans with incomes greater than \$44,000. In today's dollars that's equivalent to \$47,000.

11:00

Mr. Speaker, the Official Opposition believes in tax reduction. They absolutely do. If the hon. Member for Edmonton-Whitemud wants to reflect or wants to have the spin out there that we don't, it is an absolute falsehood. I believe in tax reduction, but I personally believe there should be a fair and equitable tax reduction so that all Albertans are involved in this. You know, we look at this, and all Albertans made a sacrifice to eliminate the government's deficit. That started in 1987. Then in 1992 all Albertans were involved in this debt reduction to the point where a lot of people were really quite hurt in their jobs, whether they had had the job for years or whatever. They deserve to have a little bit more communication on this one. Why should many Albertan families have to wait in line while a select few chosen by the Premier of this government get the

benefit first? On the issues of tax cuts, fairness, and equity, as I mentioned before, this government has failed to deliver the goods.

Our caucus, the Official Opposition, has proposed that Albertans receive a tax cut simultaneously. This is why we have been calling for elimination of the .5 percent flat tax first, which would provide tax relief to all Albertans, before the elimination of the surtax, which provides tax relief to only a select few Albertans. This government has shortchanged Albertan families by its decision to eliminate the 8 percent surtax first. Two-income families with children and earning \$75,000 or less per year receive little or no tax relief under the government's tax scheme.

The government's tax scheme is nothing more than a political game of picking and choosing those Albertans who should benefit from tax cuts first. Government shouldn't be involved in the business of picking winners with the tax system. We are seeing this in all the bills that have actually been put forward in the last while, and this is anywhere from Bill 40 to Bill 11, Bill 18, and Bill 19. The politics that are being played out on these are really concerning. As a person who has always stood on my own and never actually been pushed by any political swing, I find the politics of this really, really concerning. I would like everybody to remember the history. There have been many skirmishes and wars when the church and state throughout the world have gotten involved in politics. That's why it's a major thing that I really think we should be looking at.

You know, the 8 percent surtax applies to taxpayers with a taxable income of \$46,450 and above. Of nearly 835,000 one-income and two-income families in Alberta, 685,000, or 82 percent, are two-income earners. According to Statistics Canada, 72 percent of families in Alberta earned less than \$75,000 in income during 1997. The average income of Albertan families was \$58,562 in 1997. Calculations prepared by ourselves, the Official Opposition, show that a two-income family earning \$75,000, with two children, with an income split of 50-50 or 60-40 would receive no tax reductions under this provincial government scheme. A two-income family at \$75,000 with two children and with an income split of 70-30 would receive a tax cut of just \$13 per year, or 4 cents per day, from elimination of the surtax.

Mr. Speaker, remember that this goes back to a temporary tax at a time right after the second major crash that happened in this province in Alberta's economy due to the fact of the oil prices dropping out in the 1982 crash. Things started to build toward 1985, and then the crash came in late 1987. Remember that this came as a result of the Treasurer's party, that he was with. They just couldn't get around the fact that they couldn't buy themselves out of recession. But, you know, they weren't the only ones. This happened all over the world. Everybody tried to buy themselves out of the problems of spending, and really we have lived to see the day when 1992 came.

You know, in the 1990s things were progressively getting better in the economy, but it's taken till 2000 to eliminate this tax. We're fortunate that we live in such a great province with revenue coming in from energy production, especially when the world prices are high. When it's high, we can spend and should be able to invest towards our health, education, infrastructure, and social services. [interjections] I know that I'm getting comments about agriculture, and I'm not discounting the fact that agriculture is a very big part of this province. I will not say anything bad at all about agriculture. It is part of our economy.

When the price dropped in oil and gas and when we saw what happened a year ago at \$10 to \$12 a barrel, how did we respond? I want to note that the time to plan properly is when times are good. We should be planning now, not experimenting, and I don't mean only by putting money back in at the time of elections, as in the past,

for example. We're looking at infrastructure and building hospitals throughout the province. I also am hearing rumours and some comments that were made at Capital health a week ago from people within this Chamber saying that there's going to be big money spent in the next while on infrastructure toward health and education. Well, let's go a little bit slower. Let's plan this time. Let's make sure everything is going to be working right.

It goes back to the comments saying that the Official Opposition doesn't believe in tax breaks. Well, we do. It's interesting that this one would be beneficial if instead of going at the surtax, we looked at the .5 percent. It's interesting listening to the Treasurer about all the breaks offered now. For example, families' employment tax credits, which give breaks of up to \$1,000 to low- and middle-income families; cutting tax rates from 45 and a half percent to 44 percent; a 65 percent cut for single-income families having two children and earning \$30,000 per year.

I can remember in 1992-93 when this government started playing a one-string guitar. I keep commenting about that, because when all you're doing is looking at reducing and cutting and dismantling, is that governing? Outside of the fact that it has spread through the western world to point fingers at health as being a major problem and pointing fingers at government as being the other major problem with overspending, I think you have to reflect on what has actually happened. Yes, we've reduced the debt, but by reducing the debt, we also let 10,000 people go from our health system.

The Municipal Affairs department, where I'm the shadow critic, went from 2,200 or 2,400 employees down to 700. Then there are the rumours out there – I have a lot of government workers that live in my constituency – about the new corporation board. A month ago a number of concerned people in my constituency talked about it. Now all of a sudden the rumour coming back to them is that there is going to be no reduction when this comes in, not until after the next election anyway.

Why is the government only looking at the top 25 percent of Albertans, earning above \$46,450 in taxable income? In 1987 this same government brought in the surtax against the same percentage of Albertans. Why the double standard? Mr. Speaker, as we look at this, I question why the government chose to eliminate the 8 percent surtax, which applies to only 390,000 Alberta taxpayers, ahead of the .5 percent flat tax, which applies to over 1,562,000 taxpayers.

11:10

It's interesting to note that when the Alberta government originally came forward with the tax cut plan in the 1996 budget, the timetable was to eliminate the .5 percent flat tax by January 1, 1999, before this 8 percent surtax, which was going to be eliminated by January 1, 2001. I'd like to support our solution that a tax cut be directed to 100 percent of Albertans, while the Premier's government supports a tax cut for only 25 percent of Albertans, using the 8 percent surtax.

The elimination of the 8 percent surtax is typical of this government's incremental approach to tax policy. The government had a choice to do what was fair and equitable – eliminate the .5 percent flat tax, which was paid by nearly all Albertans – or do what was politically expedient by giving a tax cut to a select few Albertans, eliminating the 8 percent surtax. We talked about it politically, and as I mentioned before, the politics of this are really making me scratch my head.

The Premier and the former Provincial Treasurer broke their promise to provide tax cuts for all in the event of a higher than anticipated surplus in 1999-2000. "What we want to do is make sure that those who can least afford to pay . . . get the first break": this was an actual quote in the *Calgary Herald* from the Premier.

"Certainly our priority is for low-income earners, and there are ways that can be addressed": this was another quote in the *Calgary Herald*, July 28, 1999, by the former Treasurer.

Of the nearly 835,000 one- and two-income earning families in Alberta, 685,000, or 82 percent, are two-income earners. This is according to Statistics Canada. Who benefits from the elimination of the 8 percent surtax? Well, the real issue is: who does not benefit from the elimination of the 8 percent surtax?

A family of four who are headed by two public servants, one earning \$60,000 and the other earning \$40,000, will save \$56, or 15 cents per day, from the elimination of the surtax. They don't benefit from this. A two-income family earning \$75,000 and with two children, where the income is split 50-50, will save zero dollars per year from the elimination of the surtax. Is that a savings to them? A single nurse in Lloydminster who earns \$40,000 will save zero percent per year from the elimination of the surtax. Well, I wonder if the Treasurer is actually looking at his own constituency and the people who work there.

We could go down and talk about seniors and the normal Albertans. We as the Official Opposition believe that all Albertans deserve a tax cut now. Done the way that is presented by this particular Bill 19, it is not fair and equitable to all Albertans. It's no different than the comments on what we're trying to get at in Bill 18. If it's not fair and equitable, why are we doing it? If we're doing it just for those that we know can put into the slush fund of the next election, that is not fair to the biggest percentage of Albertans.

Albertans really want to trust the bills that are coming out. As a normal Albertan reads the papers, I hope they do read beyond the headlines of the clippings. There are a few reporters that are actually reporting this right. The fact is that few Albertans are involved in this. All Albertans made sacrifices to eliminate the government's deficit, as I mentioned before, and that is really, really an interesting item. The same Albertans that did tighten the belt and did sacrifice are not being listened to.

We can talk about Bill 11 and the amount of phone calls we all had. Now, I'm maybe a little bit different. I do mix and shake with a lot of people that are probably in the tax bracket where they would love it if this would go through. They also would love to see Bill 18 go through, but as I talk to them and start talking different percentages and different ways we can present this – and hopefully the government is listening to some of the concerns we do have and some of the statements – we will be going a lot further than we are right now with it.

Mr. Speaker, this is probably an interesting one to throw out there and have in *Hansard*. A single senior earning \$40,000 receives no tax reduction from the elimination of the 8 percent surtax in 2000 but would have received a \$184 tax cut from the elimination of the .5 percent flat-rate tax. Now, if we're saying that we haven't been putting different bills forward and everything that was going on against the seniors, maybe this should actually be thought out and brought out, because if this is going to be leading into the next provincial election and this gets to the doors, my constituency probably isn't any different from the rest of the people in here, and there are a number of people that are seniors.

I love knocking on doors when it comes to seniors because I talk their language. Whether they're a staunch Reform or Alliance person or a staunch Conservative for a number of years, they actually are well deserving of a good debate. Last night alone in the constituency of Edmonton-Highlands it was fun knocking on doors. That's a great constituency if you want to get out on a nice evening and really talk about what's been happening.

You know, I could go on for quite a while, but I know there are a

lot of members in here that would like to speak on it, so I'm going to sit down and listen to other members.

Thank you, Mr. Speaker.

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

MS OLSEN: Thank you, Mr. Speaker. Now, I don't for one minute profess to be any kind of tax wizard. In fact, I have probably as much difficulty as many Canadians and certainly Albertans understanding the tax process. So I buy a tax program and plug in my numbers, and it's really easy for me to come up with my tax return. It's probably done in about an hour and a half. It's great.

I guess I have some concerns about this whole issue of visiting or looking at changing the tax structure and looking at these little incremental things that the government's doing and calling it tax reform. It's kind of scary that that's what we're hearing, because tax reform is going to take a long time. It's going to take a lot of discussion on how we reach an equitable system for all Canadians. I'm not talking about the flat tax, because I don't for one minute believe that's fair and equitable.

Taxpayers deserve a tax cut and should get a tax cut. So I have no problem eliminating the 8 percent surtax, Mr. Speaker. It's a great start, but as I said, it should be a full process, a follow-through process on tax reform. If we're only talking about giving a little bit of a tax break, then I can support this.

What about the flat tax? As the hon. Member for Edmonton-Manning has said, the .5 percent flat tax is the real tax break, because that would be for all Albertans, not just 25 percent of Albertans. Wouldn't it have been nice for the hon. Treasurer to have said: "Hey, you know what? We said that we want all Albertans to have a tax break, not just those in excess of \$45,000" or whatever that threshold is. It would have been really great if he had said: "So what I'm going to do is eliminate the .5 percent flat tax rate." That was a rate that was brought in as a deficit reduction rate, a rate that was brought in to assist the government in achieving some economics at the time.

11:20

Year after year we have budget surpluses, and we have the Premier and the Treasurer beating their chests about the great job they've done and that now it's time to give Albertans a bit of a break. Well, we've got a great economy right now, and I guess what scares me about this step in a tax reduction package is that because of the volatility of our economy, Mr. Speaker, we can afford to give a little bit of a tax break right now, but taking away the 8 percent, which would have been better if it had been the .5 percent flat tax rate, for all Albertans, not just those in the upper income brackets, is acceptable. I would call it a treat right now because I don't see it as a big tax break. In fact, this government is very good at tax tinkering. They're the tinkers of tax, if you will.

We know that when you build a house, you don't build it by: "Well, let's see, we'll put the roof up; well, we've got no walls. Let me see. We're going to tinker a little bit with putting in half the basement." You know, the house just wouldn't work. In fact, it would collapse if you could even get the walls up. So we need a systematic approach to what we're doing, and that's not what I see here. I see kind of like the goody bag. We're just going to reach in the goody bag: oops, here's the tax reduction. But it's just a small amount, and it means little to those people in tax brackets under \$40,000.

Now, the hon. Treasurer will stand up and say to me: yeah, but we've given a tax break to all Albertans with our flat tax.

MR. DICKSON: Is that the Acting Treasurer or the old Treasurer?

MS OLSEN: That's the older guy, the hon. Member for Vermilion-Lloydminster, I think it is. The older Treasurer. I thought he would have some wisdom, you know, being an older fellow, but we're not quite there yet.

However, as I've said before, Mr. Speaker, three goals to a tax system. Simplicity: we could achieve that. Fairness and equity can't be achieved by the way this government is reducing taxes. It just isn't in the cards. Growth: there isn't a whole lot of, I guess, disposable income freed up as a result of this government's tax reductions. I think my colleague had made some comments about some of the particular reductions. We see that some people are getting nothing in their pocket, others are getting a wee, wee bit of a tax break, and then those in the upper-income bracket are getting a little bit more but really not that significant. In fact, I would venture to say that with the current system we have right now – and in fact I can speak to this. With the number of deductions that are actually available in the system right now, many people can get a bit of a tax return that's a little more substantial than the tinkering dollars they're getting out of this type of tax break.

So while I say very clearly, Mr. Speaker, that I'm not opposed to tax breaks, or if you will, I'm not opposed to the Provincial Treasurer stopping tax creeps . . . [interjection] I didn't say, hon. member, that he was a tax creep. I said: stopping tax creeps. I guess the government would be considered tax creeps, wouldn't they?

I guess my issue is that if you're going to have a break, if you want to have a change in the structure, then do that. Look at the entire structure, because if you bring in, say, a flat tax – the only thing we're doing with this current Treasurer, the old guy, and then the middle-aged fellow that's left the Treasurer's post is giving a portion of a flat tax change here. If we were to have a true flat tax system, then we would have no other deductions available to us, and that's not what we're seeing here. If we were to have a true flat tax system, business and corporate taxes would be included in that process, and if they had to pay – what is it? – that 10 percent, would they kind of jump out of their skin at that? Would they think that might be a little bit too much? So I think that's not fair. There's no fairness in this whole flat tax process, and I would strongly suggest that Canadians and Albertans do deserve a change or at least a tax reduction.

In fact, Mr. Speaker, the federal government in its wisdom was able to give all of us a bit of tax break, in fact a bigger tax break, and we play the tax catch-up game here. That's tax catch-up, not tax ketchup. I get a little worried that the provincial government is going to run out of taxes to cut in playing this game. [interjection]

Well, then, you know, I would wonder how goods and services are paid for in a fair and equitable system. In a fair and equitable and progressive system, we have a vertical and horizontal tax structure, and that allows for citizens to be taxed in a fair and equitable way. So we'll end up with this big tax fight, and the next thing you know, we're going to have to be careful about the economy, because you can only have these . . . [interjection]

The hon. minister over there, that chap from Cypress-Medicine Hat, says: we'll never have to worry about the economy. But you know what, Mr. Speaker? It's pretty volatile, and you know what? We don't want the government to be tax creeps. I wouldn't want that hon. minister to be a tax creep. I want him to be able to give tax cuts. So if we don't keep our eye on the economy and watch how the revenue is generated and how it's coming into the province, at some point we may end up having to take that tax break away.

You know, this government has been in that trouble before. In the late '80s and the early '90s we know what trouble this government

was in. We don't want to see that happen again, Mr. Speaker, so good, prudent fiscal management would be a part of that but also not offering the world without knowing what's going to happen down the road and being able to save for that rainy day, because we know that there isn't a stabilization fund that exists in this government's economic policy. Then, you know, I'm not so sure that we have that room to move for that rainy day.

There are a number of considerations. This is not an easy discussion. It's not an easy debate. I'm going to support, of course, the removal of the 8 percent tax rate for those in the upper-income bracket. What I don't want to see, Mr. Speaker, is an increase in user fees. Just because we have this 8 percent surtax gone and then fairly quickly, I hope, the .5 percent flat tax rate going, I don't want to see an increase in user fees to make it up on the other side, because then I think the government would be cheating Albertans. I don't want to see this government cheating, and I don't want to see this government being called tax creeps.

With that, Mr. Speaker, I will cede the floor to my colleagues.

THE SPEAKER: The hon. Minister of Innovation and Science.

DR. TAYLOR: Yes. Thank you, Mr. Speaker. I have never heard so many specious arguments about giving Albertans tax cuts. To prevent us hearing any more of this foolishness at this time of night, I would like to move that we adjourn debate on this bill.

[Motion to adjourn debate carried]

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I debated long and hard as to whether we should go home, but no standing vote, so I couldn't change our mind on that. I would move that we now adjourn until 1:30 p.m. tomorrow.

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