

Legislative Assembly of Alberta

Title: **Wednesday, April 11, 2001**

1:30 p.m.

Date: 01/04/11

[The Speaker in the chair]

head: **Prayers**

THE SPEAKER: Good afternoon. Please join me in the prayer.

Father, on this day of a new beginning we ask for Your guidance in the responsibility we have undertaken and Your help in fulfilling our duties. As Members of this Legislative Assembly may we faithfully serve all Albertans and, in serving them, serve You. Amen.

Would hon. members please remain standing. As is our custom, we pay tribute on our first day to former members of this Assembly who have passed on since the House last met.

Mr. William Kenneth Ure December 22, 1913, to February 4, 2001

THE SPEAKER: On this day we remember William Kenneth Ure, who passed away on February 4, 2001. Mr. Ure was first elected to the Alberta Legislature in the general election of June 18, 1959, and served until August 30, 1971.

During his years of service he represented the constituency of Red Deer for the Social Credit governing party. During his years in the Legislature Mr. Ure served on the select standing committees on Agriculture, Colonization, Immigration, and Education; Municipal Law; Municipal Law and Law Amendments; Private Bills; Public Accounts; Railways, Telephones, and Irrigation; and the special committees of Commercial Fisheries and Electoral Boundaries.

With our admiration and respect there is gratitude to members of his family who shared the burdens of public office. Our prayers are with them.

In a moment of silent prayer I ask you to remember Bill Ure as you have known him. Rest eternal grant unto him, O Lord, and let light perpetual shine upon him. Amen.

Please be seated.

head: **Introduction of Visitors**

MR. McCLELLAND: As always, it gives me great pleasure to welcome and to introduce to you the Member of Parliament for Edmonton Southwest and my friend, James Rajotte.

THE SPEAKER: Hon. members, in the Speaker's gallery today is a visiting parliamentarian from the Yukon Legislative Assembly. Would you please welcome Mr. Scott Kent, MLA, who is the Member for Riverside in the Yukon.

head: **Presenting Petitions**

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

MS BLAKEMAN: Thank you very much, Mr. Speaker. I'd like to present a petition today requesting that the government put in a system of rent control. This is signed by 125 concerned citizens of Edmonton and Sherwood Park.

Thank you.

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

MS CARLSON: Thank you, Mr. Speaker. Today I'm presenting a

petition signed by 25 people from the Stettler and Lacombe areas who "support finding out whether taxpayers have to pay for Stockwell Day's legal bills and settlement."

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

MR. BONNER: Thank you very much, Mr. Speaker. I'd like to present a petition today signed by 36 Albertans from Edson, Red Deer, and Edmonton. They are urging the government "to determine legally whether taxpayers must pay for Stockwell Day's legal bills."

Thank you.

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

DR. PANNU: Thanks, Mr. Speaker. I'd like to present a petition today signed by 150 Albertans urging the government "to fully-fund women's shelters and transition houses."

Thank you, Mr. Speaker.

head: **Introduction of Bills**

Bill 201

Public Highways Development Amendment Act, 2001

MR. TANNAS: Mr. Speaker, I request leave to introduce a bill being Public Highways Development Amendment Act, 2001.

This Bill 201 will facilitate the expeditious removal of illegal and nonconforming signs from the sides of Alberta's primary highways.

[Motion carried; Bill 201 read a first time]

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

Bill 202

Insurance Statutes (Gender Premium Equity) Amendment Act, 2001

MRS. O'NEILL: Thank you, Mr. Speaker. I request leave to introduce a bill being the Insurance Statutes (Gender Premium Equity) Amendment Act, 2001.

The purpose of this bill is to create a genderless-based insurance system where both genders have the right to contract insurance services on equal terms without discrimination.

[Motion carried; Bill 202 read a first time]

head: **Tabling Returns and Reports**

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

DR. PANNU: Thank you, Mr. Speaker. I would like to table five copies of a letter from the mayor of the city of Edmonton, Mr. Bill Smith, to the Premier expressing serious concerns with respect to the recent actions of Alberta Infrastructure which to him appear to threaten the closure of schools in this city.

Thank you, Mr. Speaker.

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

MR. MASON: Thank you, Mr. Speaker. I am tabling five copies of an article from the *Reader's Digest* about the world-famous Alex Taylor community school in my constituency, which is now threatened with closure.

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

DR. MASSEY: Thank you, Mr. Speaker. With permission I would table five copies of a petition sent to the board of trustees of the Calgary board of education containing 295 signatures requesting that the Glenmeadows elementary school in Calgary be kept open.

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

MS BLAKEMAN: Thank you, Mr. Speaker. I'd like to table five copies of an information brochure on PROP, Protection and Restraining Order Project.

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

MR. MacDONALD: Thank you, Mr. Speaker. I would like to table this afternoon for the benefit of all hon. members of the Assembly an Alberta government press release from December 15, 1992, announcing a new, smaller cabinet, 17 members, which reflects Alberta's views about the size of government.

Thank you.

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

MR. BONNER: Thank you, Mr. Speaker. With your permission I would like to table the appropriate number of copies of letters from Mr. Keith Brown of High River, Mrs. Dorothy Corney of Red Deer, and Mr. Ron Tyler of Didsbury. These Albertans want the government to designate the Bighorn wildland park in David Thompson country and stop further industrial development in this area.

Thank you.

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

MS CARLSON: Thank you, Mr. Speaker. Today I have three tablings. The first is copies of an e-mail from Therese Carignan from the constituency of Livingstone-Macleod. She is concerned about plans for a coal-powered generator in the Crowsnest Pass and would like to see the government develop wind energy in this area.

The second is copies of an e-mail from Dorothy Dickson of Innisfail. Ms Dickson is concerned about the proposed housing development by Waterton Lakes national park, and she would like the government to do whatever it can to stop this development.

The final tabling today is copies of letters from Mr. and Mrs. Chris and Betty Harvey of Bluffton and Mr. Kevin Lingrell of Fort Saskatchewan. They are requesting that the government designate the Bighorn wildland park a protected area.

THE SPEAKER: The hon. Minister of Energy.

MR. SMITH: Thank you, Mr. Speaker. I'm tabling today four copies of a news release from TransCanada PipeLines Limited through TransCanada Power that announces its fifth Alberta power plant, actually not on the previous lists either, 80 megawatts, of which a certain portion will be used in Weyerhaeuser's Alberta operation with the balance going to a competitively priced, competitively structured Power Pool of Alberta.

1:40

THE SPEAKER: Hon. members, I'm pleased to table with the House five copies of the House leader agreement for the 25th Legislature signed by the House leader of the government of Alberta

and the House leader of Her Majesty's Loyal Opposition and the House leader of the third party New Democratic opposition.

As well, pursuant to the Legislative Assembly Act I table with the Assembly five copies of the following Members' Services orders: MSC 1/00 Constituency Services Amendment Order (No. 6), MSC 2/00 Constituency Services Amendment Order (No. 7), MSC 3/00 Administrative and Constituency Services Amendment Order (No. 1).

As well, hon. members, pursuant to section 61(1) of the Freedom of Information and Protection of Privacy Act I'm pleased to table with the Assembly the financial statements as at March 31, 1999, of the office of the Information and Privacy Commissioner. Copies were distributed to members on November 29, 2000.

As well, pursuant to section 32 of the Election Finances and Contributions Disclosure Act, *Revised Statutes of Alberta 1980*, chapter E-3, I'm pleased to table with the Assembly the 23rd annual report of the Chief Electoral Officer for the calendar year 1999, and copies were distributed to members on January 2, 2001.

head: **Introduction of Guests**

THE SPEAKER: The hon. Minister of Learning.

DR. OBERG: Thank you very much, Mr. Speaker. It's a pleasure to introduce to you and through you to the Members of the Legislative Assembly Ms Xiao ni Liu. Kathleen comes from the beautiful coastal city of Qingdao in Shandong province in the eastern part of China, where, in completing three years of university, she achieved the highest mark in the education institution. Ms Liu has specifically chosen Alberta as the best place in the world in which to acquire the educational skills not available to her in China. Her objective is to take those skills back to China and impart them to her people. She is seated in the members' gallery. Kathleen, I would ask you to stand and receive the warm welcome of the Legislative Assembly.

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

MR. HLADY: Thank you, Mr. Speaker. It gives me great pleasure to rise and introduce to you and through you to members of the Assembly two directors of Mirant Corporation. Mirant is about a \$17.7 billion U.S. company, and last year Mirant as a large energy marketing company sold over 186 million megawatt hours of electricity. It also moved 6.9 billion cubic feet of natural gas per day. In the members' gallery I'd ask Kim Randle, the director of external affairs, Mirant Corporation, and Suzanne Boucher-Chen, director of regulatory and external affairs, to please stand and receive the warm welcome of this Assembly.

head: **Statement by the Speaker**

Assembly Business

THE SPEAKER: Hon. members, before the Clerk proceeds to calling Oral Question Period, there are a few matters that the chair would like to address before we do progress in the daily Routine to the first Oral Question Period for the 25th Legislature of the province of Alberta.

From the tablings today hon. members are aware that there was an agreement reached Tuesday, April 10, 2001, among House leaders concerning certain changes as to how the Assembly will conduct certain aspects of its business. In the chair's view it is a very, very positive step when members can agree on how they conduct the people's business. This is why the chair was pleased to acknowledge the agreement. However, hon. members, while the words are

important, this agreement like most things in this Assembly relies on the goodwill of members to succeed.

The scope of the agreement will necessitate some changes to the Standing Orders of the Legislative Assembly of Alberta. Some will be temporary. A motion to give effect to the changes agreed to by House leaders is required. The wording of the actual motion will be reviewed by the House leaders and the Speaker before it is introduced in the Assembly. Some changes concerning Recognitions, the number of members' statements, and the singing of *O Canada* may be the subject of a certain request today, so the changes will be in force for the brief period before the motion to amend the Standing Orders is before the Assembly.

There were a few issues that House leaders were unable to agree upon which must be addressed by the chair. One of these issues is the rotation of questions during question period. This aspect of our daily proceedings is fundamentally important to this Legislative Assembly. The book *House of Commons Procedure and Practice* at page 415 states:

The right to seek information from the Ministry of the day and the right to hold the Ministry accountable are recognized as two of the fundamental principles of parliamentary government. Members exercise these rights principally by asking questions in the House. The importance of questions within the parliamentary system cannot be overemphasized, and the search for or clarification of information through questioning is a vital aspect of the duties undertaken by individual Members.

Members will note that our Standing Orders are silent on the conduct of question period. They only say that it shall be in the daily Routine and be 50 minutes long. It is now established practice in this Assembly that each member asking a question is entitled to a main question, which may have a brief preamble, and two supplementary questions, which must not have a preamble. This practice will continue for the 25th Legislature.

The chair has reviewed the practices in every jurisdiction in Canada. Question periods vary in length from 15 minutes to one hour. There is no consistent practice or rotation across jurisdictions. Not all Assemblies allow members of the government caucus to ask many or in some cases any questions. In Alberta members of the government caucus are recognized out of respect for the contributions that can be made by individual members and, of course, their numbers.

In Alberta the Official Opposition has been entitled to ask the first three main questions since 1993. The chair sees no reason to depart from this practice. The third party, which is two seats short of having official party status under the Legislative Assembly Act, will continue to be entitled to the fourth question each day. A private member from the government caucus will be entitled to the fifth question. The Official Opposition will be recognized for the sixth, eighth, and 10th questions and government members for the seventh and ninth questions.

In recognition of the results of the last election the third party New Democrats will be entitled to the 11th question each day. A member from the government side will be entitled to the 12th. The Official Opposition will have the 13th. If time permits, the 14th and subsequent questions would go to government members.

The practice of caucuses submitting lists to the Speaker's office by 1 o'clock of those members wishing to ask questions that day will continue. In accordance with traditions of the Assembly, the Speaker will ultimately retain discretion when it comes to recognizing members during question period.

The chair wishes to remind all hon. members that brevity in questions and answers is of fundamental importance. Although there is no time limit in this Assembly for questions and answers, the chair notes that the House of Commons imposes a time limit of 35 seconds for each question and answer.

The chair will continue to apply the rules of decorum that are expected by the citizens of this province, who have honoured members by electing them to this Legislative Assembly.

On Members' Statements, the House leaders' agreement will increase the number from three to four when this item is called on Tuesdays and Thursdays. Three members from the government side will be entitled to make statements on Tuesdays and two on Thursdays. The combined opposition will be entitled to one member's statement on Tuesday and two on Thursday.

As the decision on the distribution of these members' statements between the opposition is undecided, the chair rules that they will be distributed in accordance with the respected sizes of the two opposition caucuses. For every seven statements by members of the Official Opposition, the third party will have two. In practice, after four members' statements by Official Opposition members the third party will be entitled to one statement, and after the next three statements by members of the Official Opposition the third party will be entitled to another one. Effective tomorrow, April 12, 2001, government members will have two members' statements, and the Official Opposition, two.

The same formula will apply to Recognitions. Members of the government caucus will be entitled to five recognitions on Mondays and Wednesdays, with the opposition being entitled to two recognitions. After Official Opposition members have had four recognitions, the third party will have one. Then after the next three by the Official Opposition the third party will have another one.

In the event these allocations are not being utilized, the chair will use its discretion to ensure that this important chance for members to address the Assembly is not foreclosed. As events unfold during the life of the 25th Legislature, the chair may have to revisit the arrangements that are the subject of this statement today.

I would now call upon the Government House Leader.

1:50

MR. HANCOCK: Thank you, Mr. Speaker. I would seek the unanimous consent of the Assembly to allow Recognitions to proceed Wednesday and the next sitting Monday; Members' Statements to increase to four; and the singing of our national anthem on the first sitting day of the week, as identified in the House leaders' agreement just tabled by yourself, until Standing Orders are formally moved for change.

[Unanimous consent granted]

THE SPEAKER: Hon. members, prior to recognizing the Leader of the Official Opposition for the first question of question period, I would now like to ask the hon. Leader of the Official Opposition to rise for a brief statement.

head: **Congratulatory Statements by Leaders**

DR. NICOL: Thank you, Mr. Speaker. Today I stand on behalf of the members of the Official Opposition to extend congratulations to you, the Deputy Speaker, and the Deputy Chairman of Committees on your elections to the parliamentary posts in this Legislature.

I also take this opportunity to extend congratulations to the Premier on his election victory. We look forward to working with him and his ministers in creating a positive agenda for this province. We will act in the opposition's role to help them make the right decisions for Albertans.

Finally, to all members, congratulations and welcome to this Legislature.

Thank you very much, Mr. Speaker.

THE SPEAKER: Hon. leader of the third party, I am prepared to recognize you if you wish to make a statement.

DR. PANNU: Thank you very much, Mr. Speaker. I would also like to congratulate you on your election once again as Speaker of this Assembly. My colleague from Edmonton-Highlands and I look forward to working with you and all of our colleagues in this Assembly in a very positive and constructive manner. We'll be tough in the opposition, but we'll be constructive, as I said.

I also want to congratulate the Premier, members of the cabinet, and all members of this House on this first day of the business of this Assembly.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Premier.

MR. KLEIN: Thank you, Mr. Speaker. I would like to add my congratulations to you as well as the acclamation of the Deputy Speaker and the Deputy Chairman of Committees. I would like to congratulate also the hon. Member for Lethbridge-East not only on his election but on his election as Leader of the Official Opposition and the Liberal Party of Alberta. I had the opportunity of meeting with the hon. member – I think it was yesterday or the day before – and I was very pleased to hear that the tone and the nature of the questioning will come down to issues of policy and to challenge government ministers to be on their toes and be prepared with answers. That's what the parliamentary process is all about.

I'm so happy to hear that there is a commitment from the Liberal opposition that decorum will be respected in this House. Mr. Speaker, I offer you the same commitment, that we will try to maintain decorum and maintain the dignity of this House.

I would like to also congratulate, of course, the leader of the third party on his election in Edmonton-Strathcona. I agree and I understand that the hon. member will be tough in his questioning, but I'm glad to hear also that the questions will be related to the issues. I look forward to this session, Mr. Speaker.

Thank you.

head: Oral Question Period

THE SPEAKER: Well, on this wonderful day of harmony I now call on the Leader of Her Majesty's Official and Loyal Opposition to embark upon the first of his questions in the question period in the 25th Legislature.

Electricity Pricing

DR. NICOL: Thank you, Mr. Speaker. Only a few weeks ago Optimum Energy Management Incorporated in Calgary released a study which concludes that electricity prices will remain high for the next few years. In fact, in their summary Optimum Energy states: "It is no longer clear that the prices consumers will pay are going to be lower as a result of deregulation." This comes on the heels of a number of other reports that draw the same conclusion, yet the Premier continues to contradict this industry's statement, saying that prices will soon be lower. My question is to the Premier. What numbers has the Premier seen that he can make his predictions for lower electricity prices?

THE SPEAKER: The hon. the Premier.

MR. KLEIN: Thank you, Mr. Speaker. Indeed, a number of reports have been published relative to the price of electricity today and into the future as it relates to a regulated environment or a deregulated environment.

The simple fact is that the price of electricity will never be what it was two or three years ago. That is a simple fact. When I say that the price of electricity will come down, I'm talking about coming down from where it was just at the end of the year 2000 and at the beginning of this particular year. Mr. Speaker, the figures cited are based on the Power Pool prices, which show that the prices being paid today are considerably lower than those prices being paid at the first of this year. If the trend continues, it stands to reason that the prices will be even lower in the year 2002 and the year 2003.

That would have occurred in a regulated environment or a deregulated environment. The simple fact is that the price of power throughout the continent is going up and has gone up considerably, but it will come down. It will never, I don't think – certainly in our term – be as low as it was three or four years ago, and I think people have to come to that realization.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Is the Premier suggesting, then, that these analysts are wrong when their data show that electricity prices are not going to be lower under a deregulated system than what they would be under the previous regulated system? They're making the comparison between the two types of systems, Mr. Premier, not what it was last winter compared to what it is now.

MR. KLEIN: Mr. Speaker, the hon. member is citing one report, the Optimum report. I've glanced over that report, and certainly I've read the newspaper accounts, television accounts, radio accounts, and so on of that particular report, but there are other reports that allude to the price of electricity coming down.

I will have the hon. Minister of Energy supplement.

THE SPEAKER: The hon. minister.

MR. SMITH: Well, thank you, Mr. Speaker. There are a number of issues that lead towards an energy discussion of downward pressure on prices throughout North America, and there are just as many reports on upward pressures. But what we do know is that because of a competitive market structure in Alberta we are able to bring forth increments of power without having to plan the entire marketplace; for example, the news release that was tabled just minutes ago announcing 80 megawatts more into the grid. There is also a list of well over 680 megawatts planned to come onstream. We do know that in a competitive market structure, the more supply there is, the more downward pressure it puts on prices on the demand side of the equation.

I'm sure there will be not only this report but much more discussion in many more reports. I would direct the hon. member to Senate testimony from the United States Senate and the appearance of Mr. Simmons at that Senate subcommittee.

DR. NICOL: Mr. Speaker, will the Premier admit that a market-based pricing system, which uses the highest cost last unit input to price product, always gives a higher price than a blended or an average-cost system? We are moving to marginal cost pricing, away from average-cost pricing. That's always higher under a market structure. Is that not correct?

MR. KLEIN: What I will agree to, Mr. Speaker, is that a competitive market, a competitive scenario, brings down prices. Key to this and I think being lost in the messages is the fact that deregulation has provided the incentive and the impetus for new power to come

onstream. I think this is very, very important. This will contribute also to a lowering of the price, because there is a simple theory - well, it's not a theory anymore; it's a fact. That is the fact of supply and demand. The more supply you have, the less demand and the cheaper the price.

2:00

Mr. Speaker, since deregulation was announced, in excess of 1,200 megawatts are now under construction or coming onstream this year or early next year. In addition to that, another 4,000 megawatts have been announced, ostensibly coal-generated power now that the technology is there to achieve emission standards that should satisfy the environmental community. So there are two factors that are bringing the prices down. One is that overall there is a global lowering of prices because more electricity has now come onstream. In addition, there have been some other factors such as a slowdown in the economy, warm weather. A number of factors have come into play. But as the additional 4,000 megawatts of new power come onstream, we fully suspect, based on the fact and the law of supply and demand, that the prices will come down.

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

Natural Gas Pricing

DR. NICOL: Thank you, Mr. Speaker. Last summer the Energy and Utilities Board acted to approve the prices of gas to be charged to Alberta consumers for the October to April winter season. That was done without any additional steps being taken to safeguard or guarantee those prices for Albertans. In the end we saw fall and winter prices for consumers rise to unexpected levels as the North American market impacted upon Alberta. My questions are to the Premier. Why did the EUB not act to guarantee this price on behalf of Alberta consumers by requiring either a contract from the marketers or a hedge on the commodity futures market?

MR. KLEIN: Well, historically in this province, Mr. Speaker, and based on conventionally low prices for natural gas, customers in this province have preferred to buy based on the spot market. That has been traditional and historical in this province. We have experienced the anomaly, I guess, not only in Alberta but throughout North America of very sharp increases in the price of natural gas. I would say also that it's not the function nor do I think it's the responsibility of this government to direct the Alberta Energy and Utilities Board, which is a quasi-judicial board, to take any particular kind of action other than make sure that the regulatory regimes relative to natural gas are adhered to.

DR. NICOL: Mr. Speaker, with the introduction of the Alliance pipeline last fall it was very obvious we were going to be in a North American market. Why did the EUB mandate not have it look at that and provide us with protection on our prices?

MR. KLEIN: Mr. Speaker, I think that the AEUB probably took that into consideration. Certainly there was consideration as to how much gas would be able to flow through that pipeline, the impact it would have on the Alberta economy generally, but to provide you with a more detailed answer, I'll have the hon. Minister of Energy supplement.

THE SPEAKER: The hon. minister.

MR. SMITH: Thanks, Mr. Speaker. Again, the concept of hedging,

or the concept of purchasing gas supplies for future usage, is one that is not in the purview of the EUB. Their job is to provide regulatory advice and direct on decisions that are set down by policy from the government. In a five-year analysis of hedging versus the spot price, the five years prior to this fall's run-up in natural gas prices, the difference was that the hedge purchase was at \$2.73 and the spot price purchase at about \$2.72, so really a 1-cent per gigajoule difference is quite marginal.

Just to comment, the other side is that it wasn't really the advent or the opening of the Alliance pipeline that created an absolutely abnormal spike in natural gas rates. It was a number of factors that contributed to this. The fact is that natural gas is deregulated in its purchase. I would think that we would like to see more competitive market forces in purchasing go on. Certainly low gas storage levels and an uptick in demand in the United States were all a number of factors besides just one single pipeline. In fact, Mr. Speaker, there's very little history that would have ever predicted a price going from \$3.35 per gigajoule in September to over \$10 a gigajoule in December.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Mr. Premier, the minister has just said that it's not part of the EUB mandate to deal with protection of prices for consumers. If that's not part of their mandate right now, why isn't it, and are you prepared to make sure that they look at that in the future? After all, Albertans deserve some protection and some analysis.

MR. KLEIN: Mr. Speaker, the Alberta Energy and Utilities Board always serves the public interest. The function of the board is to make sure that those people exploring for and processing our energy and those people distributing that energy are fairly compensated at the same time that the customers, the people who consume those products, are reasonably protected. That is the function. I would remind the hon. member that this is a quasi-judicial board. We don't direct the board. We ask the board to do certain things for us. We've asked the board, for instance, to conduct a fairness hearing relative to rising electricity prices, but we have not directed the board to do anything. We expect the board to act properly and responsibly in the public interest.

THE SPEAKER: Third main question for the Official Opposition. The hon. Member for Edmonton-Gold Bar.

Electricity Pricing (continued)

MR. MacDONALD: Thank you, Mr. Speaker. This government's failed electricity deregulation scheme has already cost Albertans over \$2 billion in this year alone. However, contrary to government claims high costs will be with us far beyond this year or next year. Because of the government's decision to not allow utilities to recover any corporate shortfalls arising from high electricity costs, Albertans have been forced into a pay me now and pay me even more later situation. My first question is to the Premier. Given this government's decision to not allow utilities to recover their 2001 deferral costs this year, will the hon. Premier please tell us how much it will cost Albertans in the future to recoup those deferral costs?

Thank you.

MR. KLEIN: Mr. Speaker, I don't have those figures at my fingertips, and I will defer to the hon. Minister of Energy.

THE SPEAKER: The hon. minister.

MR. SMITH: Thank you, Mr. Speaker. Those deferral accounts will have a certain portion of interest attached to them. That will occur, as it does in any commercial transaction, and that will be the added cost.

THE SPEAKER: The hon. member.

MR. MacDONALD: Thank you, Mr. Speaker. Again to the Premier: can the Premier confirm that the deferral account for the year 2001 could be as high as \$475 million?

THE SPEAKER: The hon. the Premier. Speculation here.

MR. KLEIN: I can't confirm that nor deny it, Mr. Speaker. As I said previously, I do not have those figures or a projection of what that figure might be at my fingertips. I'll again defer to the hon. Minister of Energy.

MR. SMITH: Mr. Speaker, I'd certainly follow the lead of the Premier, that I serve as well as all Albertans, and not speculate as well.

THE SPEAKER: The hon. member.

MR. MacDONALD: Thank you, Mr. Speaker. Again to the Premier. Given that the deferral account deficit for 2001 could be as high as \$475 million, can the Premier confirm that the deferral costs will add an extra \$22.75 a month to the average residential consumer's electricity bill next year?

MR. KLEIN: No, Mr. Speaker. I'm not going to engage the hon. member in a debate over something that is purely speculative. I don't know if the figures he's citing are right or wrong. I don't have those figures with me today. I don't know if an analysis has been done with respect to deferral accounts. What we're dealing with here is nothing more or nothing less than a hypothetical situation.

2:10

MR. SMITH: Thank you, Mr. Speaker. I'm compelled to rise and add to the information of those that would hold the deferral accounts and those that would be involved in financing these projects. For example, Scotia Capital mentioned on February 12, 2001, that the Alberta framework delivers a truly deregulated market with competitive price. CIBC World Markets in their equity research newsletter of January say: we believe that the approach to deregulation in both Ontario and Alberta will ultimately lead to the intended benefits of consumer choice as well as a more responsive and efficient electricity market.

Of course, I know you'd want me to go on, Mr. Speaker, but those are just a couple of comments that indicate that the banking communities, those who hold notes from the utility companies are looking with confidence at Alberta, its market, and its commercial transaction and market structure.

Speaker's Ruling Tabling Cited Documents

THE SPEAKER: The hon. minister should be aware that I'm withholding my enthusiasm for the full continued response, but I would like the hon. minister, as he has quoted from a document, to be prepared to table the document in the House.

The hon. leader of the third party.

Class Sizes

DR. PANNU: Thank you, Mr. Speaker. On November 15 Alberta Learning received the final report on small class sizes, but this report was not released to the public until four and a half months later. A PC election document states that the reason that the report couldn't be made public was that the report had to go through the standard review process of standing policy committee, caucus, and cabinet. My questions are to the Premier. Why was there a four-month delay between the final report submission to Alberta Learning and the department receiving the final report if not to keep a lid on the study until after the election?

MR. KLEIN: Mr. Speaker, there was no deliberate attempt to keep a lid on the report until after the election. As it turned out, the report was quite constructive and offered some good advice and some good recommendations. But in this government we do have a procedure that is followed very closely, and that procedure is to take an item through the standing policy committee process, back to cabinet, on to caucus, and this government and all members of the government caucus then decide what to do with the report, what recommendations will be accepted, which recommendations will be rejected, and how the report is to be released and responded to.

THE SPEAKER: The hon. leader.

DR. PANNU: Thank you, Mr. Speaker. My question is again to the Premier. Did the government in fact meet the procedure he has just outlined, to send the report through either the standing policy committee, the government caucus, or the cabinet, before releasing the report publicly?

MR. KLEIN: I'm sorry, and I do apologize, Mr. Speaker. I did not get the question, but if you would allow the hon. member to ask it over again, I'd be glad to try to answer it again.

THE SPEAKER: The hon. leader.

DR. PANNU: Mr. Speaker, thank you. I would repeat the question for the Premier and rather slowly. Did the government follow the procedure that the Premier said the government always follows when dealing with such reports; that is, to send the report through either the standing policy committee, the government caucus, or the cabinet before the report was in fact released?

MR. KLEIN: Mr. Speaker, I will have the hon. Minister of Learning respond to the process that was followed relative to this report.

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you very much, Mr. Speaker. What happened with that report was that a verbal commitment from the standing policy chair was made, was given. Cabinet was informed about it. This was a report that we wanted to get out to the public, that we wanted to get out as quickly as we could.

The other comment that I will make is that there were changes made to the document between the November 15 time line and the document roughly received about the middle of February, such changes as what was the class size. This was a document that studied class size, so we kind of felt that it was important that we knew what the actual class size was. Some of the objective findings were missing, such as how these students did on the objective tests that were given to these kids both before and after. These were very

important and critical parts of this study that were missing from the study. [interjections] Mr. Speaker, I did answer the question.

THE SPEAKER: Hon. leader, I'm going to permit this briefly.

DR. PANNU: Thank you, Mr. Speaker. Clearly, the answer to my question is no.

Then I ask the final question: was the government in fact telling the truth during the election when it said that the report couldn't be released until after it had gone through standing policy committee, caucus, or cabinet?

MR. KLEIN: Mr. Speaker, absolutely. As the hon. minister pointed out, the report wasn't finalized internally until somewhere midway through the election campaign. Needless to say, when you're in the midst of an election, a lot of things are not dealt with, but as soon as we were able to deal with the report, as the hon. minister pointed out, we did. I'll have the hon. minister explain slowly once again.

DR. OBERG: Thank you, Mr. Speaker. As I already outlined, what happened was: I talked to the standing policy committee chair, gave a verbal report at cabinet, and we wanted this document out. There had been some controversy about this document during the election. We wanted it out with the basic information that was there, and I felt that it was extremely important to get this document out.

As the hon. member knows, the document did not hold any revelations about class size that realistically we didn't know already. There is a lot of good stuff in the document, and I wanted to get it out to the school board chairs. I wanted to get it out to the teachers. I wanted to get it out to the citizens of Alberta so they could in fact see what was being discussed in the election campaign. Mr. Speaker, there was no covert attempt to keep this under or anything like that.

THE SPEAKER: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-Centre.

Education Property Taxes

MR. VANDERBURG: Thank you, Mr. Speaker. My question is to the Minister of Municipal Affairs. At the Alberta Association of Municipal Districts and Counties convention municipalities raised concerns about the delay in receiving education property tax requisitions from the province. Municipalities cannot finalize their local property tax bylaws until they receive the provincial education property tax requisition, and they are becoming impatient. Can you tell me when the province will issue these requisitions?

THE SPEAKER: The hon. Minister of Municipal Affairs.

MR. BOUTILIER: Thank you, Mr. Speaker. Many Members of the Legislative Assembly attended the municipal districts and counties spring convention here in Edmonton. I also attended, and the Premier of course spoke at the convention.

In response to municipalities and the concerns they've raised, I'm pleased to announce that the education property tax requisitions are going to be sent out to all municipalities not within the next 24 days but within the next 24 hours.

THE SPEAKER: The hon. Member for Whitecourt-St. Anne.

MR. VANDERBURG: Thank you. My first supplementary is to the same minister. Last year the town of Whitecourt set a higher

education property tax rate for separate school supporters through no fault of their own. Following the School Act, municipalities have no legal right to blend the tax. How can we be assured that this does not occur in the future?

THE SPEAKER: The hon. minister.

MR. BOUTILIER: Thank you, Mr. Speaker. It's a very good question. In municipalities that have separate school boards that have opted out of the Alberta school foundation fund, different rates occur because of the changes from year to year in the proportion of assessment that is declared for the separate school boards. Now, Municipal Affairs has encouraged municipalities to blend the rates in the past so ratepayers within the municipality equally share the tax burden. This year Alberta Learning is proposing changes to the School Act to address this issue, but I am pleased to announce today that \$135 million of our government commitment to reduce educational property tax requisitions in fact are going to be benefiting all Alberta taxpayers, and that's taking place as we speak.

MR. VANDERBURG: My second supplementary, Mr. Speaker, is to the Minister of Learning. Will changes to the School Act ensure that both the public and separate school board supporters pay education property taxes based on the same rates within the municipality, and when will those changes become effective?

THE SPEAKER: The hon. Minister of Learning.

DR. OBERG: Yes, Mr. Speaker. I can give the hon. member the assurance that that will indeed be the fact: public and separate school board supporters will be paying the same rate.

I will also tell him that that amendment will be brought in this session and will be retroactive to January 1 of this year. So we will look after the changes. I know it has been an extremely difficult issue in the town of Whitecourt, and we will bring the solution into legislation this session.

THE SPEAKER: The hon. Member for Edmonton-Centre, followed by the hon. Member for Wetaskiwin-Camrose.

2:20

School Closures

MS BLAKEMAN: Thank you very much, Mr. Speaker. Edmonton and Calgary schools located in the inner city are threatened with closure because of the government's utilization rate. These inner-city schools have existing buildings, utility servicing, and park/play areas long paid for. Moreover, these schools have proven experience and knowledge dealing with English as a Second Language programs and cultural understanding for children and their families. My first question is to the Premier. When cities are trying to rejuvenate inner-city neighbourhoods and encourage young families to live there, why is the province putting school boards in the position of closing schools like Queen Mary Park and John A. McDougall?

MR. KLEIN: Well, Mr. Speaker, I will have the hon. Minister of Learning supplement, but this government is doing no such thing. You know, the closure of schools is unfortunate and as controversial and as emotional as the issue can be – and certainly I went through it when I was the mayor of Calgary and had to deal on the local level with the aspect of school closures in certain areas. There is ample opportunity for school boards to deal with this issue and to find imaginative and innovative ways to put these buildings to use for educational purposes or community services or a combination of

both. We are not forcing the school boards to do anything other than come up with imaginative ways to deal with the situation.

Mr. Speaker, this is going to be with us forever. Cities are constantly changing creatures, and inner-city areas that accommodate an older population: eventually you will see a turnaround. The areas in exurbia, the new areas, eventually become older areas. The kids grow up, and there's no longer a need for the schools in those areas. This is a difficult issue that school boards will have to deal with in the future. They're dealing with that issue now, and they've had to deal with the issue in the past.

MS BLAKEMAN: Thank you. My first supplementary question is to the Minister of Learning. Given that the government sponsored a class-size project in which inner-city schools were chosen to take part, why is the government now putting school boards in the position of closing these schools because they have exactly those desirable small class sizes?

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you very much, Mr. Speaker. First of all, what I will say is that the demographics of the inner city, the demographics of the second ring of inner city have certainly changed over the past 20 to 30 years, and what we are seeing is that the school-age children are now more in the suburbs than they are in the inner city. I don't think anyone in this Assembly agrees with the fact that we have schools that have 15, 20, 25, 30 percent utilization. We all can see that that utilization figure is an extremely important figure and that there's a lot of money being wasted.

MS BLAKEMAN: Aha.

DR. OBERG: Well, Mr. Speaker, I heard the aha over here, but that 70 percent of the school still has to be heated. It still has to be cleaned. There still has to be electricity put to it. These are all extra costs that could be put into the classroom to help with smaller class sizes.

MS BLAKEMAN: My second supplementary is also to the Minister of Learning. What does the government expect as an outcome when it promotes a school utilization rate that pits community against community, neighbour against neighbour? What is the outcome you expect from that?

DR. OBERG: Mr. Speaker, first of all, I will answer on behalf of the Minister of Infrastructure, whose department it is to look after that. What we're looking at is learning opportunities for these kids. When you have 15 or 20 percent of a school actually being utilized, the learning opportunities for these kids are much less than if you combine two schools that are, say, 10 or 15 blocks apart or five or six blocks apart. We feel that we can get a larger economy of scale. We feel that we can get more learning opportunities for these kids, and we feel that they will get a better education when they have more of these learning opportunities. That's the reason this is occurring.

THE SPEAKER: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Riverview.

Postsecondary Student Loan Program

MR. JOHNSON: Thank you, Mr. Speaker. My questions are directed to the Minister of Learning. Students in my constituency have expressed concern about the high cost of postsecondary

education and the debt load they are facing upon graduation. Many are calling for a reduction in tuition fees. Government recently announced a new program of loan relief payments and additional scholarships for postsecondary students. Would the minister please explain how the new student loan relief program, set to begin this summer, differs from the existing remission program?

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you very much, Mr. Speaker. Very simply what is occurring is that after completion of the first year of studies, students will be eligible for the remission. So say, for example, their student loan is \$7,500 or \$8,000 in the first year, they will receive the \$2,500 or \$3,000 immediately after the first year. What will be occurring is there will be two times – at this moment two times – when the student will receive remission: after the first year and after their final year. As soon as our computer systems are able to handle it, our students will receive the remission after each and every year that they complete in university or postsecondary education.

MR. JOHNSON: To the same minister: does this loan relief program apply equally to eligible students attending private university colleges like Augustana University College in my constituency and those attending public university colleges?

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you, Mr. Speaker. Yes, this applies to each and every student who is taking postsecondary courses, postsecondary education in the province of Alberta, whether it be Augustana University College in Camrose or whether it be some other university or college in Alberta. This is specific to the student, not to the institution.

MR. JOHNSON: My final question is to the same minister. What is being planned in the way of additional postsecondary scholarships for the coming year?

DR. OBERG: Mr. Speaker, student financial assistance is something that this government takes very seriously. Over the past year, in the 2000-2001 budget we increased the actual amount of dollars for student assistance by 22 percent. Included in that and in the upcoming year we're seeing an expansion of the scholarships. We introduced the Jason Lang scholarship for second-year university students last year. We're expanding that to third- and fourth-year university students this year. We brought in a graduate student scholarship because the students asked us to do that, and I believe it's very important to do that. The Jimmie Condon athletic scholarship has increased from \$1,000 to \$1,800. So scholarships are a very important element of student finance, and it's something that we take very seriously as the government.

THE SPEAKER: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Olds-Didsbury-Three Hills.

Medically Required MRIs

DR. TAFT: Mr. Speaker, for nearly eight months the minister of health and his department have been investigating some 30 cases in which Albertans may have been unjustly charged for physician-approved, medically necessary MRIs. The minister initially promised Albertans the investigation would be complete in November 2000. My first question to the minister of health: given the

enormous resources that the minister has at his fingertips, why, oh why is this investigation taking so long?

MR. MAR: Mr. Speaker, I must say at the outset that I recognize that this is both at once a very private and a very public issue. I say that it is very private in the sense of being a very personal issue and that I am not unmindful of the time that it has taken, and I regret the time that it has taken for these 32 individuals who brought their cases to the attention of Minister Rock.

Having said that, Mr. Speaker, upon our inquiry into these cases and a number of other cases that have come forward to our attention, we realized that the situation involved much more than simply dealing with 32 cases. I've indicated by announcement earlier this week that we will have a panel that will be looking at not only these 32 cases but all of the other ones that have come forward. The 32 will be dealt with within the next four weeks. That panel will be made up of physicians who will determine on a medical basis whether these cases were in fact urgent and these people did not have an MRI given within an appropriate period of time.

2:30

Also, we have increased our capacity for MRIs. It will be a dramatic increase. Two years ago we did 20,000. Last year we did 30,000. This year we'll do over 40,000, and when we put in the seven new MRIs and make them operational later this year, we'll go to a scan rate of 24 per thousand, the highest scan rate in the country, recommended by radiologists that have worked with us, and we'll end up with a total of 73,000 per year, Mr. Speaker, a very good number indeed.

DR. TAFT: To the same minister. Are you willing to publish the criteria by which these decisions were made or will be made?

MR. MAR: It's my intention to have the panel of physicians deal with that, and it will be a very open and transparent process. So, yes, Mr. Speaker.

DR. TAFT: Again to the minister of health, Mr. Speaker. Given the overly long delay in the release of this investigation and given that ordinary Albertans will have been out of pocket many hundreds of dollars each because of the government policy, will the government be paying interest to claimants on the amounts they have been charged for medically necessary MRIs?

MR. MAR: No, Mr. Speaker.

THE SPEAKER: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Ellerslie.

Hoof-and-mouth Disease

MR. MARZ: Thank you, Mr. Speaker. The hoof-and-mouth disease epidemic in Europe has resulted in the slaughter of over a million animals to date and has meant economic ruin for those farmers in that area. If this disease is discovered in Canada, it will cause the same economic ruin here to an Alberta industry that's worth over \$9 billion a year and employs over 100,000 people. My first question today is to the hon. Minister of Agriculture, Food and Rural Development. What steps has the minister taken to ensure that Alberta and Canada remain free of hoof-and-mouth disease?

MRS. McCLELLAN: Mr. Speaker, as the hon. member indicated, this is a very serious disease, and it is of great concern to the agricultural community in our province and, indeed, in Canada.

We've been working very closely with the federal minister of agriculture and with the Canadian Food Inspection Agency to ensure that we're informing our producers and the citizens of this province of steps that they can take to minimize the risk of this disease coming to the province.

I would say that my office and I personally have been in contact with Minister Vanciel's office as often as three times a week, and my department staff are discussing the issue with the Canadian Food Inspection Agency personnel that are stationed in this province to ensure that we're taking all of the safeguards we can. They have reviewed the procedures at airports. We've had very good discussions with the military bases, and we've done our best to co-operate in any way that we can to inform travelers of how they can minimize the risk of bringing the disease here.

THE SPEAKER: The hon. member.

MR. MARZ: Thank you, Mr. Speaker. My first supplemental is to the Minister of Learning. Given that many school classes are planning Easter holiday trips to Europe, where this disease is prevalent, what has the Minister of Learning done to date to inform the students and schools of the risks involved in taking these trips?

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you very much. Earlier this month I sent a letter to school superintendents and school board chairs and asked them to share it with the schools and school groups who are planning a trip overseas. In that letter it advised on the precautions that the hon. Minister of Agriculture, Food and Rural Development just talked about, and I asked them to share that with each and every school group that was contemplating a trip overseas. Some schools, such as the school in Black Diamond, did decide to cancel their trip as their itinerary took them directly through the heart of the issue, where there is a hoof-and-mouth disease outbreak. Mr. Speaker, we did provide them with as much information as possible.

THE SPEAKER: Hon. member.

MR. MARZ: Thanks, Mr. Speaker. Again to the Minister of Learning. I would certainly commend all those schools and school boards who did the responsible thing in adjusting their travel plans. However, constituents in rural Alberta are still very concerned about students taking these trips. Can the Minister of Learning assure Albertans that everything possible is being done to eliminate any risk at all of bringing this disease back to Alberta by students traveling to these areas? Constituents are simply asking: why not just cancel these trips?

DR. OBERG: Well, first of all, Mr. Speaker, what I asked in the letter that I sent to the school board superintendents and the school board chairs is that they reassess their plans, reassess their itineraries, and look and see if indeed they are traveling through the area where hoof-and-mouth disease is endemic. I asked them to use their own judgment on that. I feel that it is not fair to have these students cancel their trips when the borders are still open, when we're having business traffic back and forth, when we're having tourist traffic back and forth. I feel that's an unfair penalty to these students who have worked so hard to travel over to Europe and various other destinations. I did ask them to reassess. I did ask them to look very closely at their itinerary. I can give the hon. member probably a 99.99 percent assurance that our school trips will be safe when it comes to hoof-and-mouth disease.

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

Logging in Kananaskis Country

MS CARLSON: Thank you, Mr. Speaker. The Minister of Sustainable Resource Development is about to sign an agreement allowing new logging on 4,200 square kilometres in Kananaskis Country. This is an area the size of a 14 kilometre-wide path from here to Red Deer. This agreement is being struck behind closed doors and without public consultation. My first question is to the Minister of Environment. How can the Minister of Environment, the minister seen as the steward of our wilderness and the minister responsible for policy on these issues, permit this logging to go ahead without assessing the environmental impact?

THE SPEAKER: The hon. Minister of Environment.

DR. TAYLOR: Thank you, Mr. Speaker. This is not an issue that requires an environmental impact study, and I would refer it to the Minister of Sustainable Resource Development.

MR. CARDINAL: Thank you very much, Mr. Speaker. As no doubt a number of you are aware, there are a great number of forest management agreements in Alberta that are utilized by various industries. There are also a number of industries that utilize the quota system. There are also other industries that utilize the commercial timber wood program.

There are different ways of harvesting resources in these areas, Mr. Speaker. One of the most stringent is the forest management agreement, and that is exactly what we are negotiating with the Spray Lakes saw mills. The negotiations are no different than what other negotiations have been in the past. There are lots of FMAs established. They're working very well. They're serving the industry very well.

In fact, the forest management agreement does not give the land rights to the FMA holder. Basically, Mr. Speaker, what happens is that actually the companies, once they are in the process of harvesting an area, have to file a plan with local public hearings in the community, and after that the Minister of Sustainable Resource Development still has to approve that plan. So when you're dealing with FMAs, they're not transferring land to the company. We as the government and the public have a greater say. The company has also more responsibilities in reforestation, more responsibilities in management of that particular area on a long-term basis, Mr. Speaker, and that's the only way that they are viable.

MS CARLSON: Mr. Speaker, is this minister saying, then, to us that he is quite happy in a situation like this to cut the deal behind closed doors without public consultation on 4,200 square kilometres of land in Kananaskis Country?

MR. CARDINAL: Mr. Speaker, in fact, the company that we are talking about has been in there, I believe, over 50 years already as a family operation and plays a very, very important role in the economy of that particular region. In fact, the forestry sector itself plays a very, very important role in the overall economy of the province. There are over 50,000 individuals working directly or indirectly in the forest industry. It's the third largest industry as far as job creation in Alberta and income revenue for Albertans, so it is a very, very important industry.

Mr. Speaker, these negotiations have been ongoing for a long period of time because the company has requested more involvement

in how the reforestation takes place, more involvement in managing the resource on a long-term basis. As a government we are requesting stringent requirements in reforestation, for an example. These companies have to have a longer term security so they can plan their projects and their reforestation programs. Therefore, it is very necessary that negotiations continue in a positive way.

2:40

MS CARLSON: Mr. Speaker, will the minister then commit to doing what the public is requesting, which is an open process, a public consultation process? Will he work with the Minister of Environment to initiate this full public consultation process, which would include surveys, public meetings, and a cumulative impact study and assessment done, before the decisions are made on this piece of land which is a vital part of our economy from a wilderness and recreation perspective?

MR. CARDINAL: Mr. Speaker, when you're negotiating a forest management agreement, all those other areas the hon. member mentioned are taken into consideration, and they are part of the plan.

In fact, the hon. member has asked in the last couple of days to have a meeting with my department to explain this whole process so she can understand it better. I have agreed to the meeting. Therefore, we are hoping in the next two or three days to sit down with whoever they want to bring from the opposite side and discuss the whole issue. Mr. Speaker, I didn't realize the question would be coming up the same day the meeting was asked for. [interjection] I have agreed. I have agreed to meet with the hon. member, and I'm willing to do that.

THE SPEAKER: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Fort.

School Closures

(continued)

MR. MASON: Thank you, Mr. Speaker. Dozens of schools in Calgary, Edmonton, and other Alberta communities are being threatened with closure as a result of the government school utilization formula. Many of these schools are located in lower income neighbourhoods and are attended by already disadvantaged students. In my own constituency of Edmonton-Highlands decisions to close Alex Taylor school and Sacred Heart school could be made within weeks. My question is to the Minister of Learning. How can the minister justify forcing school boards to maintain a rigid utilization rate of 85 percent, including gymnasiums, libraries, and other nonclassroom space, before funds are released for new school construction?

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you, Mr. Speaker. I would advise the member that a lot of those questions have been answered. Because this is under the purview of the Minister of Infrastructure, I will take it under advisement and make sure that the Minister of Infrastructure sees this question and responds to the hon. member with his answer.

THE SPEAKER: Hon. member.

MR. MASON: Thank you very much, Mr. Speaker. I appreciate that.

My first supplementary to the minister: why did the government undertake a pilot project on small classes, that gave hope to disadvantaged students through such innovations as eliminating split-

grade classes, only to force a utilization policy on the school boards that will force them to close some of the very same schools which took part in that pilot project?

DR. OBERG: Mr. Speaker, the pilot project was on the class size; it was not on the physical structure of the buildings. In some of these buildings in question, as I commented earlier, we have a utilization rate of 25, 30, 35 percent. There are lots of classrooms available in those schools.

The study that I undertook was to look at the effects of smaller class size on achievement, look for the effects of smaller class size on teachers, look for the effects of smaller class size on the whole scholastic environment. As the hon. member knows – and I'm sure he's read the report – there were some very positive things that came out of it. I must remind the hon. member that this study was not to look at physical structure.

THE SPEAKER: Hon. member.

MR. MASON: Thank you very much, Mr. Speaker. My final supplementary to the minister: will the minister agree to review government policy on school utilization so that school boards will not be forced to close schools in established neighbourhoods, thereby hurting already vulnerable inner-city communities and families?

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you very much, Mr. Speaker. That was a good question. The Minister of Infrastructure is doing that as we speak. He is doing that at this moment. I'm sure he hopes to have this utilization formula out very soon. Again, I will refer that question to the Minister of Infrastructure, whose mandate it is, and I'm sure he will get back to you on that.

THE SPEAKER: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Mill Woods.

Social Assistance

MR. CAO: Thank you, Mr. Speaker. During the past years I have visited many households in the constituency of Calgary-Fort. [interjections] Shall I continue, sir?

THE SPEAKER: Absolutely.

MR. CAO: Almost all are working very hard to make ends meet and proud of their productivity. However, there are a few who could not handle their personal situations because they were outside of their control. They need help. My question is to the Minister of Human Resources and Employment. Given that the community service organization voiced to me about the social assistance rates, can the minister tell the Assembly about the current situation?

THE SPEAKER: The hon. Minister of Human Resources and Employment.

MR. DUNFORD: Yes, Mr. Speaker. We have been getting phone calls and letters and e-mails about our current situation, and I just want to reiterate that this government is committed to help those people that are truly in need. We want the Alberta advantage to involve everyone. I would indicate that the throne speech did discuss and talk about how we will have a review of our support systems for people in need.

THE SPEAKER: Hon. member.

MR. CAO: Thank you, Mr. Speaker. My first supplemental question is to the same minister. Given that Alberta has the largest percentage of people in the workforce, what is the government plan to ensure the equity of the working Albertan relative to the people who cannot work or cannot find work?

MR. DUNFORD: Well, certainly, Mr. Speaker, we do believe that low-income support programs should be a matter of temporary assistance, and they really should be a last resort. Not only this government but we believe that Albertans generally believe in a hand up and not a handout, and that, of course, is our philosophy. So we've focused our income support programs on education, employment, and opportunity, and we'll, of course, continue to use workforce attachment as one of our main objectives within our portfolio.

THE SPEAKER: Hon. member.

MR. CAO: Thank you, Mr. Speaker. My last supplemental question is to the same minister. What can the minister tell the Assembly about a government plan to address the assistance for the so-called working poor and the nonworking poor?

MR. DUNFORD: Well, we're going to be working with the department to develop the scope and time frame for the process of a review. Once we begin that, of course, we commit to listening very, very closely to Albertans regarding this matter. We always want to, again, strike a balance between those that truly need our assistance, and of course I have to be a steward of taxpayer dollars and always will remain committed and dedicated to that principle.

THE SPEAKER: Hon. members, in a few seconds from now I'll call upon the first of six, I believe, members today who want to participate. If all hon. members would look at the Order Paper, it does not identify Recognitions on it, because pending the results of your approval given to the hon. Government House Leader's request for unanimous consent to arrive at it, it couldn't be printed till now. I will begin the process of introducing those people who will participate in recognitions today in 30 seconds from now.

Hon. members, perhaps we could revert briefly to Introductions of Guests. Is that okay?

[Unanimous consent granted]

head: Introduction of Guests (reversion)

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

DR. MASSEY: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of the Assembly Mrs. Shelley Brown. Mrs. Brown is a recreation therapist, and she's in the public gallery with nine guests. With your permission I would ask Mrs. Brown and her guests to stand and receive the traditional welcome of the Assembly.

2:50

head: Recognitions

THE SPEAKER: Hon. members, in the approval that you gave a little earlier today, there was provision for recognitions on the basis of five and two; that is, five government members and two Official Opposition members. As of this point in time four government members have advised me of their interest. If there's a fifth, please

send me a note. Otherwise we're going to proceed on this basis. First of all the hon. Member for St. Albert, then followed by the hon. Member for Edmonton-Ellerslie, then the hon. Member for Dunvegan, followed by the hon. Member for Edmonton-Centre.

Dr. John Paterson

MRS. O'NEILL: Thank you, Mr. Speaker. A few weeks ago in Toronto Dr. John Paterson was recognized by OISE, the Ontario Institute for Studies in Education, with a national honour for his lifelong commitment to the profession of teaching. Nominated by the Faculty of Education at the University of Alberta and by the Alberta Teachers' Association, Dr. Paterson was awarded the distinguished educator award for his exemplary teaching skills and for taking a leadership role in his field throughout his career. I wish today to congratulate Dr. Paterson on behalf of all members here.

Thank you.

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

Alice Tyler

MS CARLSON: Thank you, Mr. Speaker. Edmonton artist Alice E. Tyler, probably best known for her creation of portraits of the Famous Five of the Persons Case, died on February 5, 2001. Inspired by the achievements of these outstanding women, Alice Tyler created portraits of the Famous Five of the Persons Case accompanying them with informative plaques drawn from her own extensive research. These works of art have been hung in the Alberta Legislature, the Edmonton Law Courts building, and the Edmonton City Public Library, as well as elsewhere in Canada and abroad.

In 1995 Alice Tyler was the recipient of the Governor General's award in commemoration of the Persons Case. We would like to recognize her contribution to our province and our history.

THE SPEAKER: The hon. Member for Dunvegan.

Junior Curling Championships

MR. GOUDREAU: Thank you, Mr. Speaker. It's a great pleasure and privilege for me to rise before this House today to recognize two junior curling teams from Grimshaw and Peace River. Both the junior boys' curling team and the junior girls' curling team won top honours during the provincial curling championships in Red Deer on March 9-11. After considerably more practice and hard work, they went on to represent Team Alberta at the western Canada junior championships in Calgary on March 29 to April 1.

These two teams in the age group of 13 to 18 years old were Alberta's junior curling ambassadors. Both teams represented our province and their communities very well. They curled against the most talented teams from across western Canada, and both teams came back with gold medals.

The junior girls' team is made up of Amanda Swicheniuk, skip, Erin Brennan, Kate Blakley, Charlene Swicheniuk. The junior boys' team is made up of Greg Webb, skip, Daniel Boorse, Rollie Robinson, and Kyle Spacil. They were coached by Al Riewe and Rod Webb. Their efforts and victory speaks well of what our young people can accomplish. The communities of Grimshaw and Peace River are very proud of their eight young adults.

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

Protection and Restraining Order Project

MS BLAKEMAN: Thank you, Mr. Speaker. Today I'd like to

recognize the first anniversary of the incorporation of PROP, the Protection and Restraining Order Project. Although it is one year as an incorporated society, in fact PROP was born from a committee established in 1995, and the project opened its doors in 1997.

In the mid-1990s it was both expensive and took a long time to get a restraining or a protection order. PROP was created to address the problem of women facing family violence or any kind of violence in which they needed to get an order, but they couldn't afford a lawyer or the court fees. With the leadership and vast amounts of volunteered time of committed women lawyers from Edmonton and the help of agencies which gave funds or support, the Protection and Restraining Order Project has, for a \$75 charge to people who qualify, made low-cost, more timely orders possible.

I know PROP would like me to acknowledge their supporters: Alberta Justice, victims of crime fund, the centre for wellness, Clifford E. Lee Foundation, the Edmonton Community Foundation, Edmonton Community Lottery Board, the Flora Trust, Muttart Foundation, Status of Women Canada, United Way, the YWCA, WIN House, and other dedicated agencies. And my thanks to Deb, Marie, Ellen, Marlene, Susan, and the other wonderful women.

Thank you.

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

Heebie-jeebies A Cappella Group

MR. HERARD: Thank you, Mr. Speaker. It's indeed an honour and a pleasure to rise today for this very special recognition. The Contemporary A Cappella Society, CASA, has just announced its artist awards for 2001, and I want to offer my warmest congratulations to a local Calgary a cappella group known as the Heebie-jeebies – isn't that neat? – for winning the award for the best comedy album called *Heebie-jeebie TV* and also for winning the best comedy song called *Channel 12*.

I am very proud to know these four young men from Calgary, so to Jonathon Love, Ken Lima Kuello, Cederic Blary, and to my youngest son, Chris Herard: well done, guys.

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

Britannia Junior High School

MR. HUTTON: Thank you, Mr. Speaker. It's a great thrill for me to stand to make this particular recognition this afternoon. The day after I was sworn in as a Member of the Legislative Assembly, I had the privilege to officially open the new science lab at Britannia junior high school in the Edmonton-Glenora constituency. I would like to acknowledge the principal, Peter Jonkman, and his staff for the excellent work they are doing to enhance the education of the students. Also, I would like to commend Dr. Emery Dosdall, the superintendent of Edmonton public schools, and his team for approving and constructing the new lab.

Mr. Speaker, it was a special honour for me to be at the opening of the lab and make this acknowledgment today, as I am a graduate of Britannia junior high school.

Thank you.

THE SPEAKER: Is there an additional government member who would like to participate?

head: Orders of the Day

THE SPEAKER: Hon. members, the items of business normally

conducted on Wednesday afternoon entitled Written Questions and Motions for Returns cannot be dealt with today as these items of business have not met the notice requirements of Standing Order 38.

head: **Public Bills and Orders Other than
Government Bills and Orders
Second Reading**

MR. HANCOCK: Mr. Speaker, I seek unanimous consent of the Assembly to waive Standing Order 73(1) to permit second reading of Bill 201 on the same day as its introduction.

[Unanimous consent granted]

**Bill 201
Public Highways Development Amendment Act, 2001**

THE SPEAKER: The hon. Member for Highwood.

MR. TANNAS: Thank you, Mr. Speaker. It's my pleasure today to move second reading of Bill 201, the Public Highways Development Amendment Act.

This bill will do three things: lessen roadside distractions for drivers, reduce vision overload for drivers, and it will improve the aesthetics of our primary highways in Alberta. Mr. Speaker, along our highways advertising signs have become all too familiar a sight. These signs may be an important way for businesses to advertise their services to motorists, but at what price in safety and what price in aesthetics? Unfortunately, not all of the highway signs comply with existing legislation.

The Public Highways Development Amendment Act provides roadside advertisers with clear guidelines and regulations. Bill 201 would provide the Department of Transportation with the means to deal with signs that do not conform to law or regulation or the signs that have not been approved by the Department of Transportation authorities.

Mr. Speaker, Bill 201 is designed to have the following impact on illegal signs in the province. First, the offending sign owner will be sent a letter via registered mail or by hand delivery informing him that he has seven days to remove the offending sign.

3:00

Second, Mr. Speaker, when a violator fails to comply with the notice to remove the sign, then the minister shall cause any action to be undertaken that is required to comply with the notice and may direct any person to enter the land for that purpose. This will provide our Transportation officials with the mandate to take those illegal signs down and to store them in a secure yard, with the cost of both the storage and the taking down to be assessed to the owner of the sign.

Third, if a second violation occurs within 12 months of the initial occurrence, the minister can order the removal of the offending sign or object, notifying the owner in writing within 72 hours.

With this in place, department of highways officials will be empowered to officially deal with repeat offenders and the illegal and nonconforming signs that are becoming more and more plentiful.

In addition, Mr. Speaker, Bill 201 provides official agents of Alberta Transportation with protection from harassment. Anyone who obstructs an official who is lawfully acting to remove a sign is guilty of an offence and may be fined \$1,000. Enforcement officials from the Department of Transportation may now perform their tasks in an expeditious manner.

Mr. Speaker, Bill 201 will strengthen the ability of the department

to deal quickly with nonconforming advertising along our provincial highways, something it doesn't now have. Eye-catching advertising is distracting to drivers. It reduces their effectiveness, the effectiveness of directional and warning signs, and it reduces the aesthetic value of our Alberta countryside.

Mr. Speaker, I want to make it clear that Bill 201 will not restrict legal signage in any way. The bill does not address what is conforming or what is nonconforming signage, as its single purpose is to provide the Department of Transportation the means to expeditiously cause the removal of illegal or nonpermitted signage, whether by the owner or by department officials. There is existing legislation that determines legal and illegal signs. This bill will simply ensure that signs which violate existing law and regulations can be removed more efficiently by Alberta Transportation officials and their agents.

The current enforcement mechanisms have become ineffective in dealing with illegal signs. At present the process involves sending out a number of letters via registered mail to the owner of the offending sign, each with a 30-day compliance request. When that is not met and it is observed that the sign is still there, then a second letter, a third letter, and even a fourth letter, each with 30 or more days in between, will be sent, with the final letter being sent from the Minister of Transportation.

If the owner still does not remove the sign in the time specified by the minister, the minister has two options. He may direct an official agent to remove the sign from the property and charge the incurred expense and subsequent storage fee to the owner of the sign. This is not very often done. Or the minister may lay a complaint with the local RCMP detachment, and the Crown prosecutor will determine if the charges are warranted and proceed accordingly. However, if the owner removes the sign even a day before the court hearing, the case will be dropped because the owner has removed the sign. In the situation where the sign is not removed and the court case continues, if convicted the sign owner, in addition to being fined, is required to move the sign.

The present process has proven to be too slow. It may take up to a year or more, and it is so unwieldy that it doesn't have any real impact on the proliferation of illegal and nonconforming signs along our provincial highways.

Often the department representatives responsible for control of this problem just abandon enforcement action after they've made several unsuccessful attempts to have any sign removed. The department has little recourse should the owner of the offending sign not wish to comply. Often the offending sign is put back up a few months later. Clearly, Mr. Speaker, the current system does not work.

There are reasons to bring this bill forward, and foremost is safety. We all know that driver inattention is one of the major causes of accidents, and an important element of that inattention is distraction. More and more signs along our highways translate to more and more distractions to the motorists who drive on them. It is important to note that many traffic and highway accidents are the result of driver inattention or error and that distraction can cause a driver to err.

Bill 201 is designed to help decrease the number of accidents along Alberta's roads. Mr. Speaker, reportable collisions per thousand drivers exceeded the Alberta Transportation rate by a factor of two and a half times, for a total of 44.7 collisions per thousand drivers in the year 1997 alone.

Clearly, Mr. Speaker, we have a duty as legislators to do what we can, what is possible to make our highways safer. Alberta boasts a spectacular array of sights, from the river valley in the Drumheller area or the Red Deer River to rolling hills, mountain views and the like, forests, and lakes. There is an undeniable beauty and an immeasurable scenic value to our countryside that can be spoiled

and obliterated by unlimited numbers of signs if it's to continue. This private member's bill will help to protect the aesthetic beauty and reinforce the province's commitment to maintaining the quality of our environment and ensuring that tourists visiting Alberta will get a chance to see what we truly have to offer. In the absence of this bill we will continue to have a growing visual pollution along Alberta's highways.

Beyond the issue of aesthetics, Mr. Speaker, there's a third reason to support Bill 201, and that's making Alberta's highways as safe as possible for motorists to use. The proliferation of illegal signs may have contributed to many traffic problems including visual overload, as too many signs compete for the attention of the driver so that the impact of the department's regulatory and cautionary and information signs are less effective. Over the last several decades there's been a steady increase in the amount of traffic on Alberta's highways. More and more signage increases the odds that a driver may not see a cautionary or regulatory sign because of the visual overload of this visual pollution of signs.

This bill strengthens a law that frankly, Mr. Speaker, has not been operating as it was intended. Because of the cumbersome and prolonged process of the current enforcement mechanisms, the law has consistently and in some cases rather flagrantly been ignored. This should be unacceptable to Albertans, and it should be unacceptable to members of this Assembly.

Simply put, Mr. Speaker, Bill 201 provides Alberta Transportation the means to fulfill their mandate in providing safe and efficient highways by giving them the effective regulatory means to remove the illegal signs as one small piece in their repertoire of keeping our highways safe.

Thank you, Mr. Speaker.

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

MS CARLSON: Thank you, Mr. Speaker. I'm happy to stand and debate Bill 201, Public Highways Development Amendment Act, 2001. It would've been a little helpful for us if we would have gotten the information, the bill itself, sooner than we did. It's certainly tough to do any initial consultations when we don't get the information until just before we get into the House. I know it's the first day and organizationally it's not always that easy to get things rolling here, but it makes it tougher for us to get some feedback from the communities on issues like this which are, I think, important to people throughout the province.

In terms of the highlights of the bill, certainly we would support any bill coming forward that strengthens the ability of Alberta Infrastructure or any other department to deal with outstanding issues that we see in the province. Certainly nonconforming advertising along provincial highways is something that is becoming a more recurrent issue that needs to be dealt with, and certainly as the process has been described to us, it isn't very effective in terms of getting rid of these signs in a timely fashion.

As we see drivers busier within their vehicles as they're traveling on the roadways, we do need to seriously consider all the various options open to us to ensure that they are driving safely. All of us have seen and certainly some of us will have been guilty of not only reading the signs as we travel down the highways but talking on cell phones and drinking cups of coffee or eating lunch or talking to our neighbours in the car. All of those are major distractions, Mr. Speaker, and I think this brings up for me the notion that we should be taking a look as private members or perhaps on the government side at the kinds of issues and conflicts we have on the roadways now that need to be addressed through the legislative process, and this is certainly one of those.

So we're happy to see that this bill is coming forward in terms of being able to get these distracting signs off the roads in a time span that is much more effective than what we had before. It does raise a few questions for us though, Mr. Speaker, that we're hoping can be addressed, and some of them are questions that are of interest when we talk about roadway signs.

3:10

My colleague from Edmonton-Mill Woods and I were discussing what it looks like when you're driving down the highways here and in other provinces. Particularly, we noted in the province of B.C. that when you drive on reserve land, the signs there are far, far greater in number than what we see along other major roadways. So that raises the question here in this province: will this provincial law apply to reserves? If not, then is there any intent to address that and ensure that we have some conformity on our highways in terms of the kinds of distractions there are? You know, you get used to driving a roadway and seeing a certain number of signs, and when you suddenly hit a stretch that is completely cluttered up, it is distracting, as the sponsor of the bill talked about, and it certainly needs to, I think, have some consistency throughout the province.

We also had a question about the consultation process that Infrastructure does with municipalities on these issues. I personally don't know whether or not municipalities are in a position where they can derive revenue from the placement of signs along roadways. Who gets that money from those signs? Is it the private landowners? Is it in some cases the municipalities, or can it be the province? I think that would be of interest to people in this Assembly, and we would like to know if this change in the rules impacts any of that and who has a say, what is the appeal process, the standard kinds of questions that are asked in a case like this.

Also, I have a question around jointly funded roadways. For instance, here in Edmonton we have the Whitemud freeway, and roadway signs have recently been a hot topic in this city. There are a number of people who don't like the flower beds that are advertising along that freeway and have asked council to have them removed. My understanding is that they are in the process of being removed because people said that they were distractions, or they made an argument for them being distractions, while they were driving along the freeway. Because that was a jointly funded project with the province, I'm wondering who has the ultimate jurisdiction. Does the jurisdiction go back to the local municipality? It must; that's what council decided. But does the province have any say or impact on what happens there? I'm thinking again in terms of consistency of approach.

One thing I think we have to be careful of is that we never cross the line between what is a conforming sign, in terms of size and location to the roadway, and freedom of speech. I know that I see a lot of signs on the highway that have messages that I don't agree with. Some of them I find distasteful, at the very least, and some quite offensive, but there still is a fundamental right of freedom of speech in this country, and we must ensure that any new legislation we bring in does not bar people from participating in that process. Yes to fast removal of signs that are in the wrong locations or don't conform to whatever the standards are, but no to changes that might infringe on a person's freedom to speak.

We also had a concern about public mischief with the changes in this legislation. We've just gone through an election where all of us have experienced what can happen in sign wars. Your signs get moved sometimes by whomever and can go from a completely legal position to one that is illegal. My question is: who's responsible in that case, and what's the process for notifying the department that in fact your sign may have been moved illegally to a place where you

didn't want it to be? If you take a look at page 2, under section 32 it talks about how "any person who wilfully obstructs, interferes with or hinders a person acting under section 30(7) or (10) is guilty of an offence and liable to a fine of \$1000."

Well, it's nice to see that in there, Mr. Speaker, and it's wonderful if you can catch the person or find out who they are, but certainly my experience would be that finding people who play games with the signs is not an easy task. "Can you find them to have them charged?" is one question. In the absence of being able to find them and in the shortened time period there is for the sign to be changed or moved, what's the responsibility of the person who owns the sign to be able to, one, know that it's now illegally placed and, two, be notified in a timely enough fashion for them to address the situation? Who incurs the costs of changes that have to be made? I think those are questions that should be asked.

So my major concern with this bill is with changing the requirements here in terms of the notification. Is there going to be enough time for notification of people who have had their signs placed illegally, not by themselves but by others, and what onus of proof will there be on those people to in fact prove that they didn't place the sign in the wrong spot?

This is an interesting bill to come before us at this particular time. We were talking about how we would have thought that one dealing with cell phones would have been perhaps of equal importance, and perhaps that's something this Assembly can address through the various avenues open to us in this next session. Certainly we hear lots of talk in the communities about the kinds of problems that happen with cell phone use in cars in terms of distractions, as we see with these signs, and it's something that I think we need to start thinking about from a legislative perspective.

Insurance rates are very high for people. Many people are driving without collision on their vehicles these days for those reasons. We need to do whatever we can, I think, from a governing perspective to ensure that the risks on roadways are minimized. I think this is one step in the right direction. I think there are many steps that we need to take a look at and that need to be addressed in this Legislature. In fact, we see a number of issues coming forward this session that deal with matters associated with roadways, so what that tells me is that it's an increasing problem, Mr. Speaker. Hopefully the government will see the mood of the Legislature on these kinds of issues, and we can see some more legislation coming forward that will address them in a more comprehensive fashion.

So I think that in summary, Mr. Speaker, I would like to say that hopefully those questions I have brought forward will be answered. In general certainly I support what has been brought forward in this bill. I'd like to add to the list of questions. What about mobile signs, the portable signs that we see on roadways though not stuck in the ground? I'm talking about those small ones on wheels but also those larger mobile ones that are semitrailers that are parked in farmers' fields. Do the same rules apply to those? Just a minor question but one that we would hope to be addressed.

So, Mr. Speaker, with those comments I will be supporting this particular bill. I think it addresses an issue that is interesting and important for us to be talking about. Thank you.

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

MR. SHARIFF: Thank you, Mr. Speaker. It's my pleasure to join the debate in support of Bill 201, the Public Highways Development Amendment Act, 2001, sponsored by my colleague the Member for Highwood. Effective infrastructure is something all Albertans support. When there are problems that impact the safety of our highways, the Department of Transportation needs the mandate to

act quickly to prevent any potential harm to Albertans. That is the intent of Bill 201. Its design will simplify the operation of the Department of Transportation so that they may act on behalf of Albertans to remove clutter and distraction from our roadways.

The act does not change the definition of prohibited signs but allows illegal signs to be removed quickly. Currently the long, complicated enforcement process does not provide an effective deterrent to offences. To the contrary, the bogged down enforcement process has tied the hands of enforcement officials to deal with offences to such an extent that the process is often an exercise in futility. The current process draws the Department of Transportation, law enforcement agencies, the courts, and the offender into a protracted situation that may more often than not lead to frustration and stalemate.

3:20

We are living in changing times. The population is booming in all Alberta communities. The opportunity to advertise to an enormous audience traveling the highways of Alberta every day is tempting. As the opportunity to advertise increases, so does the incentive to place illegal signs. The proliferation of signs in violation of the Public Highways Development Act has increased the strain on the resources of the Department of Transportation as well as our legal system and the RCMP. There needs to be a commonsense solution to protect the rights of motorists, and a new balance must be struck.

I would like to give a short analogy. If a boy were to stand accused of painting graffiti on a bridge and was caught in possession of the paint, would his rights be so protected to allow him to keep the spray paint until he was properly arraigned in a court of law? Of course not. The paint would be taken from him and would be returned upon proof of innocence.

Another analogy that comes to mind applies currently in Calgary with the bus strike. If I were driving on the streets and parked my car in an illegal spot, I'm sure the car would be towed. If they didn't tow it right away, I'd probably leave the car from 8 in the morning until 5 in the evening and pay a small fine rather than pay the hefty amounts collected by the parking lots. That's not right.

This is perfectly reasonable for most minor legal infractions but is currently not the accepted practice for the removal of illegal signs. This is an issue involving the property rights of the offender and the landowner, so regardless of the fact that these individuals are breaking the law, actions have been allowed to persist. The act's enforcement mechanism needs some teeth, and this is the intent of the bill sponsored by the Member for Highwood, which I support.

Some believe that those who own property adjacent to the highway have the right to place signs exhibiting whatever they choose. Our existing legislation doesn't give them that liberty. The allowable content and level of signage is currently regulated to prevent abuse. Currently we do have safeguards within our legislation to prevent the exploitation of our traffic corridors as a way to market countless products, services, or corporate logos to a captive audience. However, the mechanism to deal with noncompliance is very lax. The people of this province appreciate less clutter, less distraction, and an unobstructed view of the horizon as they drive on our highways, which, I might add, are the very best and the envy of a lot of provinces. The required changes to the legislation are adequately addressed in Bill 201, and I urge my colleagues to support this bill.

I wish to discuss some of the implications that will result from passing this bill. To begin with, motorists and their passengers and loved ones will have a safer roadway. This I believe will be the single most important improvement resulting from passage of this bill. The quick removal of unreasonable signs will ease frustration

and distraction for countless motorists all across the province. A less distracted driver is a safe driver, and this will most definitely result in fewer motor vehicle collisions in the long run, particularly as our population increases and we have a higher volume of traffic on our highways.

The guidelines for signs under the Public Highways Development Act require signs to be simple, directional, and informative so as to not distract drivers. Anything flashing, floodlit, spinning, or resembling other traffic symbols is prohibited, as is any sign that is considered inappropriate or excessive. The process for the removal of a sign currently takes enormous legal wrangling and can extend over months, and after spending months to resolve the issue, should the sign be replaced, the entire process begins all over again. The people working in Transportation deserve a law that gives them the authority to act against illegal signs in a timely manner.

Bill 201 directs that illegal signs be removed seven days after a written notice of fault is given to the landowner. At this point the sign is picked up and stored pending resolution. In any case, the sign is removed quickly, which will significantly cut down the amount of time and effort in trying to enforce these incidences.

As most of you are aware, our court system is under increasing pressure to deal with an enormous backlog of minor offences and ticketed fines. The time and effort the court system expends in trying to enforce these laws needs review. In the case of an illegally placed or inappropriate sign the threat of a fine is sometimes not enough to force compliance to law. The offender more often than not has a substantial financial interest in the display of the offending sign and will fight a ticket to maintain his or her sign.

To give the Department of Transportation the authority to remove the sign after informing the offending party is a simple and meaningful solution. In this way, the punishment for noncompliance is immediate and just significant enough to substantially deter individuals from pursuing an often unreasoned legal defence and wasting the time of the courts.

The problem the current system is facing is that citing violations of the legal code does nothing to stop the offence. The method of ticketing violators is indirect and does not always provide incentive for the adjustment or removal of the sign. If an individual is in the process of a court battle over a ticket on a sign, he cannot be ticketed for the same offence again. This literally allows him to buy time for his sign in the form of a ticket that may be very small when brought before a judge. By way of this private member's bill any offender looking to abuse our legal process would receive no financial gain in doing so, and that, Mr. Speaker, creates a system that is sustainable, reasonable, and just.

For all the reasons I've discussed this afternoon, I urge my fellow colleagues as motorists to support Bill 201. It will make the Public Highways Development Act operate for Albertans as it was intended to do.

My friends, I also urge you to think about the beauty along our highways and how we should preserve it, and I hope that at the end of this second reading you will rethink your position and support this bill. Thank you.

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

MR. MacDONALD: Thank you very much, Mr. Speaker. I rise this afternoon to engage in the debate on the Public Highways Development Amendment Act, 2001, as sponsored by the hon. Member for Highwood. I notice that the hon. member has been very active in pursuit of private members' bills. One act, I believe, that the hon. member is responsible for is the persons in care act. That was a step in the right direction. I initially had a look at this bill, Mr. Speaker,

after question period today, and I, too, would like to have a longer look at this before I commit my support to it.

3:30

When I think, Mr. Speaker, of the recent election, all hon. members of this Assembly, I think, would have eventually during the course of the campaign had a sign somewhere where it should not have been. I, for one, instructed our campaign to only put signs on private property, not on public thoroughfares, because I consider it a blot on the landscape. I consider it visual pollution. Not everyone else in the campaign in my constituency did that. It is an issue that has been brought to my attention at a public forum. Now, the constituency of Edmonton-Gold Bar of course is urban, and rural members of this Assembly may have a different view. But when you look at signage, I didn't realize it was such a problem from the point of view of safety. Certainly for visual pollution, as it has been described earlier, that is detrimental. How many of these signs and what size they are, I have no idea.

I think, for instance, in the oil industry we could see rig 36. Mr. Speaker, all signs point from Lethbridge west to rig 36, which is in the Chinchaga region of Alberta. We could have a little sign, I suppose, at each intersection along the way, kilometre after kilometre. Oilfield personnel routinely put these signs up, and sometimes they forget to take them down. Now that things are so busy in the oil patch, maybe they just don't bother. They move on to the next job. The implications of this in the short time that I've thought about it may not be necessarily as beneficial as first thought. There is certainly the issue of public safety. There is the issue of nuisance or visual nuisance, if I could call it that.

I understand there are four letters that have to be sent to the individual landowner. That landowner may not even know. In rural Alberta there's a law. Holdings are so vast. The owner may not be aware that someone placed a sign there. They may not want to phone someone on their cell phone whenever they're driving by to check this out because they may not feel comfortable ringing someone on their cell phone while they're driving.

But we need to look at this and consider all activities before we think of any more rules or any more laws. It's not a burning issue in Edmonton-Gold Bar. The election signs: I realize that's a municipal issue. It's not connected to a provincial highway, but people want a semblance of order during a campaign. They much prefer to see candidates with signs on individual private property, not cluttering roads one after another. Then there's also third-party advertising that pops up. They don't consider that appropriate in southeast Edmonton.

If this law is going to improve highway safety on the provincial highways and it is going to also reduce or limit the amount of visual pollution, then I suppose it would be a step in the right direction.

However, there are some other notes that I have made regarding this bill, Mr. Speaker. It also has to deal with farmers, the construction industry, the oil well, the gas well drilling industry. That would be section 30 and the amendments to it. Now, the amendments to section 30 may be a problem, for instance, in the constituency of Olds-Didsbury. At this time of the year there may be a rig move going on. The access to a controlled highway: there is a public safety hazard there because a lot of times the Hi-Boys have a lot of mud underneath them on their carriages. Then it can be cold at night and this freezes on the surface of the road and it can become a traffic hazard. Now, I don't know if the hon. member has considered this in the discussions of this bill, but it is certainly something that I think all members of the Assembly, particularly those from rural Alberta, should consider.

Now, there are also farmers. Farmers routinely – and I think they do this on controlled highways . . .

DR. TAYLOR: Also farmers. That's good to hear.

MR. MacDONALD: My goodness, Mr. Speaker, the hon. Minister of Environment has more to say now than he did during question period.

Mr. Speaker, the farmers routinely – and hon. members can correct me if I'm wrong – usually during harvesttime can sometimes have temporary access to controlled highways to remove their harvest from their fields. The implications of the amendments to section 30 – I'm curious how those amendments will affect farmers and rural landowners.

Mr. Speaker, with those comments at second reading, in the brief time that I've had to read this bill, those would be my concerns. With those concerns expressed, I will cede the floor to another hon. member of this Assembly.

Thank you.

THE SPEAKER: The hon. Member for Drayton Valley-Calmar.

REV. ABBOTT: Thank you, Mr. Speaker. It is my pleasure to speak in support of Bill 201, the Public Highways Development Amendment Act, 2001, sponsored by my colleague the Member for Highwood.

Bill 201 calls for effective enforcement of a law that has already been established in this province. The Public Highways Development Act and the highway development control regulations became law on July 11, 1966. The purpose of the act and its regulations was to govern the construction and maintenance of Alberta's highways, control access and adjacent developments of our roads, and to govern Crown liability for damages and the protection of highways. Specifically sections 25, 30, and 36 of the act contain regulations covering illegal signs, highway advertising, and entry onto private property.

Now, it's important to remember for the benefit of this debate, Mr. Speaker, that these restrictions came into force to prevent the unabashed construction of signs and notices along Alberta's highways. Such signs not only prove unsightly but, more importantly, also pose a potential safety risk to Alberta's motorists and wildlife. As the newly appointed chair of the council on workplace safety, I take a personal interest in this issue as well. The consequences that may result when motorists are not able to discern important information while driving because of distraction from signs that impede their line of sight and ability to focus could be deadly.

Mr. Speaker, the purpose of signs along our highways fall under four different categories, as my colleague pointed out: to inform drivers of traffic regulations, (2) to warn motorists of changing road characteristics, (3) to provide information necessary for route selection, and (4) to raise motorists' awareness of temporary hazards such as construction or certain municipal or community events. Now, each of these signs must also meet regulation standards, as they are part of our law that makes driving easier and establishes greater road safety for everyone.

3:40

First, the regulatory sign indicates a traffic regulation that applies at a specific time or place on a road. These include stop signs, pedestrian crossings, or vehicle weight, for example. If these important signs are disregarded because of driver distraction or obstruction of view from unauthorized signs, then the driver would be fortunate to get only a traffic violation as his error could easily result in a fatal accident.

Secondly, a similar situation could also occur where a warning

sign could be missed as a result of driver distraction or obstruction of view. Warning signs are an essential and required component of highway driving as they inform the public of possible hazards like a slippery bridge or animal crossings.

Now, as most Albertans realize, there's an abundance of wildlife in our province. There's always the possibility of crossing paths with an animal while driving on one of our many highways. This brings up the point that not only could the animal warning sign beside the highway be missed, but the animal itself could also be missed or hidden by an unauthorized sign. Mr. Speaker, I'm sure that we have all seen or at the very least heard of various degrees of accidents happening with large moose, deer, or elk because the animal had darted out onto the highway and into the path of oncoming traffic. It is essential that we act responsibly as a government and provide Albertans with a driving environment that is as safe as possible. This has become even more important over recent years as our urban centres have branched out due to population increases.

Thirdly, Mr. Speaker, there are more highway connections today between Alberta's urban cities and its rural towns than ever before in Alberta's history. As sign laws were developed to decrease the distraction of unnecessary or illegal signs along our highways, it only makes sense to make sure that those laws are easily and appropriately enforceable and to maintain our highways to make them as safe as possible.

The purpose of Bill 201 is to improve the ability of Alberta Transportation to deal effectively and efficiently with individuals who are currently violating the established law. There are no new regulations or restrictions being proposed here. What is being proposed, Mr. Speaker, is an effective means of enforcing the law as it currently exists.

My colleague the Member for Highwood is not proposing a ban on road signage. Currently privately owned signs are allowed with the provision that they are within the scope of existing guidelines. If in fact they are within the guidelines, Mr. Speaker, then the individual would simply require an approved development permit issued by the district transportation engineer.

However, illegal signs are abundant on Alberta's roadsides. The law enforcement officials are obviously having a difficult time regulating their locations and their numbers, or we would not be here speaking about the matter today. The problems that we are experiencing, Mr. Speaker, concern the fact that the time and the effort required to obtain a proper permit far exceeds the current cost of the violation. Prosecutions for illegal signage in this province are extremely rare, and the process is very lengthy. As a result, more and more illegal signs are erected with impunity every day.

The existing system requires that the Alberta Department of Transportation send four letters by registered mail to the signed landowner requesting that the sign be removed, with the final letter being sent by the minister. Now, if the sign is not removed within the time specified in the minister's letter, he may then direct any person to enter onto the violator's land and complete the directions of sign removal contained in the ministerial notice. He could also lay a complaint with the local RCMP detachment and have the Crown prosecutor determine whether charges are warranted.

Mr. Speaker, as I am sure everyone here can understand, this entire process is time consuming and strains an already overtaxed system. Bill 201 proposes that the owners of offending signs will be warned via written letter from the minister to remove the illegal sign within seven days, after which, if the offending party refused to comply with the request within the seven-day period, the material would be removed by Alberta Transportation themselves and placed in storage.

Now, while issuing fines has long been a preferred means of deterring motor vehicle and criminal offences, the option of legally removing the sign will be far more effective and expedient as a solution. This method will provide a meaningful deterrent to the violators.

[Mr. Marz in the chair]

Before I conclude, Mr. Speaker, I must concede that although I'm enthusiastic about the intent of this bill and the many positive effects that it could have on Alberta and its highway driving, I do have some reservations about certain details of the bill. Now, it's a small concern, but I worry about the ambiguity that exists with the current wording regarding the legal means that one must undertake in order to acquire a sign.

While I strongly believe that as government members it is our duty to do everything within our power to deal efficiently with citizens who are in violation of Alberta law, I also believe that this effort should not be taken to the point where it discourages legitimate and legal efforts of enterprising Albertans. We must not forget that the Alberta advantage resides in part on the lack of red tape that frustrates many small businesses, red tape that exists in many other Canadian provinces and jurisdictions. I am concerned that unless some clear direction is given in this bill as to how citizens may quickly obtain permission to place legitimate signs on Alberta highways, this bill may be incomplete.

Finally, Mr. Speaker, I urge my colleagues to support this bill. Bill 201 will save a great deal of valuable time that our Infrastructure department, our courts, and our law enforcement officers could use to focus on other matters. Let us not forget the most important aspect of this bill; that is, the benefit and safety that our motorists will reap as a result of this legislation. I hope my colleagues will agree with me that the reservation I've just brought forth about this bill is minor with respect to its many advantages. Although there's a risk that this bill may be perceived by some to infringe on the fundamental right of freedom of speech, I believe that it will save lives, and that must take precedence. Again, I urge my colleagues to vote in support of Bill 201.

Thank you.

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

MR. RENNER: Thanks, Mr. Speaker. I'm pleased this afternoon to have an opportunity to enter into the debate on Bill 201. Now, I've had an opportunity to read through this bill, and I would like to take this opportunity to congratulate the Member for Highwood. I think this is a well-intentioned bill. I think that the member has identified a legitimate concern.

However, in reading the bill, I'm not convinced that this is the correct process to come about with a resolution that is going to deal with what seems to be a fairly widespread problem throughout the province. When I look at the bill, essentially it can be watered down to two areas. First of all, in the existing statute there are requirements that illegal signs be removed after receiving notice from the minister, and the minister specifies the amount of time that is available for the offending sign to be removed. What we do under the amendment that's proposed by the member is insert in statute a provision that there be a seven-day limit before the sign is forcibly removed.

I'm not convinced and I'm not knowledgeable enough, quite frankly, Mr. Speaker, to know whether or not this is a case where one size fits all. I think that there may be legitimate opportunities where the owner of a sign, the owner of the land may find that a

seven-day limit is inappropriate. I think that the amendments proposed in this bill make it too restrictive. There is no opportunity for any ministerial discretion. Under the existing statute if the minister wishes to put a seven-day limit for removal, that's within the discretion of the minister to do so. I don't know why it's necessary for us to change the legislation and by statute put a seven-day limit where the minister has that authority to do so under existing legislation.

3:50

The other part of the bill deals with an instance – and the member referred to it when he was making his opening remarks – where the process that's in place to remove a sign is successful, the sign is removed, and then shortly thereafter the same sign or a sign very similar reappears in the same location, and the whole process has to start all over again. Again, I don't know that it's necessary to have the heavy-handed approach that is suggested in this bill, whereby should this take place, the minister will forthwith order removal of the sign. I think that, again, we need to look at the existing legislation and determine what the problem is. If we're having a problem with signs being reinstalled after they have been ordered removed, perhaps the existing legislation is deficient in the penalties that are incurred.

I read in the bill, in the existing legislation on page 2 of the bill, there is a provision that it is

an offence if he again places or causes to be placed any property, equipment, material or other thing on the land within the distance from the controlled highway prescribed by the regulations.

Clearly it already is an offence under existing legislation to have that sign reinstalled. By adding a provision that says not only will it continue to be an offence, but the minister will automatically have the offending sign removed I think is addressing the problem from the wrong end. If we've got a problem with signs being reinstalled, obviously we don't have sufficient amount of penalty in place so that there is a deterrent to someone to reinstall the sign. I think that that is an area I would like to see addressed in any amendments that would be proposed to this bill.

The other thing I have concern with in this bill is that it seems to some extent to be putting the cart before the horse. Someone is essentially found guilty and then is forced to go to court to prove his innocence. It kind of goes against what principles I understand, where a party is innocent until proven guilty. Under the existing legislation before the amendment is proposed, if there is a disagreement – and presumably if a sign is not removed at the request of the minister, that would indicate to me that there is a disagreement – that disagreement eventually is resolved in a court, and a judge determines whether in fact a sign is offending or not according to statute. At that point there's an order made to remove the sign.

What the member is proposing is that someone – and it refers in the legislation, of course, to the minister, but we all know it's not the minister that is responsible for making the original determination. The minister is the one who eventually signs his pen to paper to initiate action, but someone – we know not whom – makes a decision, an assessment that a sign is offensive and is contrary to legislation and then has the authority to have that sign removed after seven days' notice, stored at the expense of the owner of the sign, the removal and the storage, and then has an opportunity to go to court and argue and resolve the dispute.

Well, that seems awfully backwards to me, Mr. Speaker, and frankly I think that's taking a very heavy-handed approach to enforcement. It reminds me of an opportunity or a similar kind of situation where here we're dealing with relatively inexpensive signs, in relative terms, where the removal costs may not be exorbitant and the storage costs may not be exorbitant. But let's for instance

imagine that instead of talking about signs, we're talking about setback provisions in land planning. Instead of having an offensive sign that is being automatically removed and then a court case held to determine whether or not it was proper for that removal, let's assume that someone builds a home on a lot and that home is built one foot beyond the mandated easement that's in place. I would suggest the owner of that home who wanted to dispute and had dispute with the official who determined that that home was one foot over the easement would have an opportunity to have his day in court before the wrecking ball comes along and moves his home.

I'm not suggesting that at the end of the day the wrecking ball still may not come along and remove that home. We all know why easements are put in place. We all know why laws are in place that restrict the signage on highways. We all know why they're there and I hope to a large extent agree with why they're there. But what we don't allow in this province are for decisions to be made by individuals that could potentially cause irreparable harm on the individual.

I recognize the example of removing a building is a bit of a stretch and a bit of an exaggeration over what the Member for Highwood is proposing here by removing the sign, but I bring that forward to make a case and to make the argument that it's a similar situation. We're going to come along, make a decision that the sign that's in place is illegal, is contrary to legislation. We will then remove that sign, store it, send you a bill for the removal and the storage, and then you have an opportunity to go to court and have a judge determine whether or not the original decision was correct and just. I suggest we're going backwards in this particular case, and I would suggest the existing legislation has ample opportunity for signs to be removed.

If signs are being reinstalled, as the member suggests, then we should have a look at the penalty provisions for reinstalling. They are provided for in existing legislation, and for that reason I would suggest to all members that this amendment is not required. There is existing legislation in place to allow for us to enforce our laws. We need to look at our existing legislation and the enforcement provisions of that before we start arbitrarily amending legislation in this House and causing damage that we really don't have an opportunity to envision at this point and place.

So, Mr. Speaker, I would encourage all members to vote against this bill. Thank you very much.

THE ACTING SPEAKER: The Member for Calgary-Currie.

MR. LORD: Thank you, Mr. Speaker. I am pleased to rise today to speak to Bill 201. Just in time. As a known advocate of traffic safety I believe that the government should play a role in regulating signs along our highways to ensure that they do not create any undo hazards or jeopardize the motoring public's safety. I applaud any reasonable initiatives to improving road safety and the initiative of my colleague the Member for Highwood for bringing forward such good ideas.

This afternoon several of my colleagues, Mr. Speaker, talked about how there is an increasing number of signs along our highways that may distract a driver's attention. I have to agree that some signs may distract a driver and get his or her attention at least momentarily. That is in fact what they are designed to do if they are working properly. Of course, if they distract attention at the wrong time or for an undue length of time at a critical moment, they may be contributing to creating a hazard. Both conforming and nonconforming signs may create this momentary distraction.

The issue of traffic safety is a legitimate and major concern of our society, so we should be aware of the nature of circumstances in which signs should be regulated to prevent accidents. As Alberta

grows in population, we must continue to review the laws that guide us to see if they continue to meet our needs. Mr. Speaker, I welcome the opportunity that this bill provides us to engage in such debate.

4:00

However, Mr. Speaker – and I am sure you are far more aware of this than I am – rarely does a government have the luxury of debate on something that is obviously good versus something that is obviously bad. If only it were so easy. More often the nature of debates which enter into the political arena is debate between something which is bad in some people's minds against something else which is bad in other people's minds. The only choice before us, then, is: which choice is the least worst? Each choice leaves some people uneasy. That is the very nature of political decisions, and so it is with the decision before us here today.

The debate as to whether or not nonconforming signs are unsightly clutter and should be immediately removed or removed faster – well, that's an easy one to make if that is the only narrow perspective that we have on such issues. Of course they are sometimes unsightly, and of course they constitute clutter, at least to some people, and they may even decrease safety as well. But the debate as to whether or not such nonconforming signs should be immediately removed if they constitute very little additional safety hazard and make a very big difference between a poor family having some decent clothes on their backs or not because they had a sign out offering eggs for sale and managed to sell a few as a result and also had supper on the table for the little ones because of that unsightly sign which caught the attention of a passing motorist, well, suddenly, Mr. Speaker, we are not left with such an easy choice.

It is our responsibility as a government to find this right balance in these types of decisions. It is our responsibility as a government to strike the right balance on the fine line between concern for public safety and overregulation. We must find that balance between clutter and small businesses needing to find a low-cost way to promote a marginal economic opportunity, a balance between a concern for safety against people's need to earn a living and to be able to achieve the pride of self-reliance that comes with success in selling the result of their toil and labours.

[The Speaker in the chair]

Mr. Speaker, in the instance of Bill 201 we need to look very closely at this balance, and I believe that while the bill has good intent, its effect would ultimately harm a very important part of our society: small business and self-employed individuals struggling to eke out a living and finding themselves overregulated and underfinanced. Efficiency in removing clutter, yes, but not effectiveness in promoting improved quality of life for our microentrepreneurs. There's a price to be paid, Mr. Speaker, for the benefits that 201 promises, a price that is too high in my mind.

Furthermore, Mr. Speaker, we must also be very wary of the unforeseen ramifications that upsetting the current balance might produce, and in this I refer to the difficulties that the city of Calgary experienced, which I am quite familiar with. Their attempts to improve the situation, as some saw it, resulted instead in inspiring legal challenges from newly frustrated individuals whose signs had been removed, challenges which were surprisingly successful for these individuals and resulted in exactly the opposite effect from what the city originally intended. They resulted for a time in no regulations at all as bylaw after bylaw was successfully challenged and struck down under Charter challenges involving freedom of expression and the right to free speech.

Mr. Speaker, I am wondering if Bill 201 might stir up a similar

hornets' nest that might be best left alone. I refer to such cases as *R v. 388923 Alberta Ltd.*, 1995 174AR292 Court of Appeal, and more recently *R v. 718916 Alberta Ltd.* as examples of the legal difficulties which may arise if we were to start changing the processes that we have in place now.

The Member for Highwood is proposing that the time limit for removing nonconforming signage from view of highway drivers be sped up to seven days only. I believe that the current procedure allows for an appropriate length of time before a nonconforming sign is removed. I do not see the need to move the time limit to a mere seven days, which barely gives a small business proprietor time to react at all, let alone to complete all the paper-intensive process of seeking regulatory approval for the now much more expensive conforming signage.

Mr. Speaker, I have outlined two main concerns with Bill 201. The first is how the quickened procedure will affect the economic development of small business owners and thus the prosperity of small rural communities. My other main concern is how it will infringe upon the rights of property owners and their rights to freedom of speech on their own property and the right to collect revenues from their own properties. And there are other concerns.

Mr. Speaker, we attract thousands of tourists to our province each year, and tourism is a viable and thriving industry in Alberta. Many business owners have gained financial stability by accessing this expanding market. In fact, many small businesses were set up expressly to cater to drive-by tourists. I believe it would greatly affect our smaller communities that currently enjoy economic benefits from tourists passing through, and both would suffer if the removal of signs on our highways was shortened to seven days. The tourists would not be made aware of unique, one-of-a-kind shopping experiences, and the entrepreneurs would be deprived of customers.

As a strong supporter of small business development for the economic viability of our province I am having difficulty reconciling the benefits of faster removal of all nonconforming signs with the damage this would do to these small businesses, who it must be remembered have very limited advertising dollars. As a government we must look at whether this is a fair trade-off.

Mr. Speaker, I'd also like to point out that our government has made great efforts to support and foster private enterprise. We have been a strong supporter of deregulation and less red tape and the belief that less government involvement allows greater room for small businesses to succeed. The effects of Bill 201 appear to be a reverse of this direction and a reverse of some of the deregulation benefits that we have achieved so far.

In the case of community businesses there is often a seasonal time frame for their product or services. As a province with a large agricultural sector I am sure we are all aware of the aspects of seasonal businesses. There are many small farmers who depend on the ability to advertise by the road for fresh corn or strawberry picking or eggs, as I mentioned earlier. It could be devastating for small farmers to have their signs removed in only seven days on account of their income being so seasonally dependent.

Mr. Speaker, I believe that the seven-day time line for private owners to remove their nonconforming signs is just too short. I might find it easier to support Bill 201 if these concerns could be addressed, but I suspect that we are trying to make laws here which are based on a few exceptionally troublesome cases as opposed to the norm, and thus we would be punishing everyone for the transgressions of a very small few, a direction I find hard to support.

I agree that it is important to ensure that our highways are safe within appropriate boundaries, but the improvements being contemplated here are very marginal in my view. There are already

sufficient laws to regulate signage under the Public Highways Development Act, Mr. Speaker, and sufficient laws to regulate removal of nonconforming signs under this act.

May I also say, Mr. Speaker, that these regulations are very detailed. Nonconforming signs may be distracting to drivers, but frankly it was also driving me to distraction just reading about all the rules and regulations already required under the act which are necessary to obtain a conforming sign. I'm sure many others feel the same way, and perhaps that is why some people are avoiding trying to get one of these permits in the first place.

The government time line to assess all the details and then issue a permit can certainly be quite lengthy. There are many steps that must be followed to obtain the necessary permits to have a sign deemed to be conforming, and all of this takes time. Busy farmers and harried small business owners do not always have a lot of spare time.

There are alternatives to the course of action contemplated in Bill 201, such as promotion of the successful community business signs program and others. Interfering with the fundamental rights of our constituents and interfering with their initiatives to earn a living on their own does not strike me as the right way to turn on this issue. I do not believe that we need to regulate any further than we already have.

I certainly appreciate the time and effort that the Member for Highwood has put into this initiative and his good intentions in this matter. However, I think we would be going down the wrong road if we were to support Bill 201 at this time. With that, I thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Highwood to close the debate.

4:10

MR. TANNAS: Thank you, Mr. Speaker. I want to first of all thank all hon. members who have participated in the debate, whether they were in support of the bill or opposed to the bill or maybe just had some comments that offered criticism. Those are all very welcome.

I'll try and answer some of the questions. First of all, the hon. Member for Edmonton-Ellerslie talked about reserve lands and signs there. No, this and the highways act with regard to signage do not affect them. Urban municipalities are similar. In their case, you're not allowed to use flashing lights and bright lights or lights that might be interpreted as signal lights or warning lights or whatever. I would presume that would also probably reach to reserve lands. However, the bill does not really address what is conforming and what's not conforming. That's elsewhere in the act. We're just talking about really speeding it up.

Freedom of speech and maybe this taking away freedom of speech. Well, I think we all know that freedom of speech is not absolute. For instance, we're all not allowed to speak in here at the same time. There's a time when you're allowed to speak and that kind of thing. It's sort of a little bit like graffiti. Graffiti is a form of expression. You might wish to say that that is the epitome of freedom of speech, yet we don't allow that in some places. You can go in the occasional washroom of certain bars, not that I've ever been there, and see graffiti, and it's welcomed there. The owners put up a great big blackboard to do that. Well, this really doesn't deal with that, but in some senses a proliferation of highway signs is a form of graffiti.

Too short a time, seven days. Well, there are a couple of provisions here. If you look at the bill on page 1, "Section 30 is amended," in (1)(a): ". . . within 7 days of receipt of the notice or any longer period allowed by the Minister." Then there's another exemption here that is put there under (b). There's always opportu-

nity, of course, in committee to expand this to 14 days or whatever.

Mobile signs. Yes, they can be removed in the countryside. That was again from the Member for Edmonton-Ellerslie.

There is an appeal. The appeal to the minister for more time is certainly there in Bill 201.

Edmonton-Gold Bar: rig 36 sign. The example: directional sign for vehicles to turn off the highway. That's certainly allowed, and that can be permitted. If it is strung out along the highway like Burma-Shave, then I suspect that maybe too many signs wouldn't be allowed. Certainly that's a very common kind of thing.

Let's see. There's another one here. Should this bill pass second reading, then amendments for some of the criticisms could easily be accommodated.

I would disagree with the Member for Medicine Hat's assertion that no opportunity for ministerial discretion appears to be there, but perhaps that was partly a function of my not being able to hear him well. I don't really think it's a heavy hand for a second-time offender, but that's a matter of debate.

The example given by Medicine Hat of the building that was one foot over – I happen to own a building where part of it's encroached on another's property and part of their building is encroached. That's more a function of surveyors, but the building has to have a permit to be there in the first place or it will be taken down very quickly. That's a little bit of what I'm trying to deal with here. Without permits some of these signs could be permitted, but they don't ask for permission.

The hon. Member for Calgary-Currie. Farm produce is allowed under the current act, not under Bill 201, and for the reasons that you so eloquently spoke about: the poor family that would lose its livelihood. This is not designed at all to interfere with them because the act already covers that, and there are all kinds of exemptions there. If it's a special event in a community, there are permits that you can get for rodeo for such and such a day or such and such a time, real estate signs, that kind of thing. A number of others are there.

Well, I've tried to answer some of the questions. Again, thank you for the support. I think Alberta should be committed to making its highways as safe a place for motorists as possible. This bill is committed to showcasing and allowing the showcasing of Alberta's boundless scenery and tourist attractions. This bill is committed to ensuring that the laws of the province are enforced fairly and justly in accordance with the wishes of the people of Alberta. I suggest Bill 201 will assist us in meeting these goals.

Mr. Speaker, I would urge all members of this Assembly to vote in favour of Bill 201 as I believe it is in the best interests of the driving public and Albertans.

Thank you.

[The voice vote indicated that the motion carried]

[Several members rose calling for a division. The division bell was rung at 4:17 p.m.]

THE SPEAKER: Hon. members, okay. The Assembly has before it a division on Bill 201, the Public Highways Development Amendment Act, 2001. Now, whenever there's a voice call, a subjective decision has to be made with respect to what one hears. For those hon. members who said, "Yes, there very clearly were more people who were in the affirmative," and for those hon. members who said, "Oh no, there very clearly were more voice calls in the negative," please be advised that there is a speakerphone here attached to the desk of the Speaker which provides for very, very acute hearing throughout the whole Assembly. Some hon. members sitting in a

particular quadrant of the Assembly may feel that there are yeas or nays in their particular quadrant, but the Speaker is assisted by this amplifier which provides for a wide range.

For the motion:

Abbott	Coutts	Shariff
Bonner	MacDonald	Taft
Cao	Mason	Tannas
Carlson	Nicol	Woloshyn

Against the motion:

Ady	Hlady	McFarland
Broda	Horner	Melchin
Cenaiko	Hutton	Norris
Danyluk	Jablonski	O'Neill
DeLong	Jacobs	Ouellette
Doerksen	Jonson	Rathgeber
Ducharme	Knight	Renner
Dunford	Lord	Smith
Forsyth	Lougheed	Snelgrove
Friedel	Lukaszuk	Stevens
Goudreau	Marz	Strang
Graydon	Maskell	Tarchuk
Haley	Masyk	Taylor
Hancock	McClellan	VanderBurg
Herard	McClelland	Vandermeer

Totals:	For – 12	Against – 45
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[Motion lost]

4:30

THE SPEAKER: The hon. Deputy Government House Leader.

MR. STEVENS: Thank you, Mr. Speaker. I seek the unanimous consent of the Assembly to waive Standing Order 73(1) to permit second reading of Bill 202 on the same day as its introduction.

[Unanimous consent granted]

Bill 202 **Insurance Statutes (Gender Premium Equity)** **Amendment Act, 2001**

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

MRS. O'NEILL: Thank you, Mr. Speaker. It is with exceptional honour and pride that I rise to first speak to Bill 202, the Insurance Statutes (Gender Premium Equity) Amendment Act, 2001. I do not use the term "exceptional" lightly. I say it because this bill deals directly with a violation of one of the principles this province and this country have held as fundamental since the architects of this nation first established the values and laws of this country: the principle of equality.

The intent of this bill, Mr. Speaker, is very simple. It will end the practice of allowing insurance providers to charge young males significantly higher premiums for car insurance than they charge young females, a difference that can equal up to and exceeding \$1,000 a year. All this bill seeks to do is address one of the last vestiges of treating the two sexes as fundamentally unequal.

This afternoon I will explain to members of the Assembly who are curious just how a blatant act of gender discrimination managed to evolve over time into an institutionalized part of insurance provision in this province. I will demonstrate that gender bias was slipped in

under a clause that allows categorization in insurance provision but that this clause, as in all other laws, is no excuse for gender discrimination.

[The Deputy Speaker in the chair]

Next, I'll explain to members of this Assembly how this bill will affect Albertans on a personal level. It was because of several concerned constituents that I felt it necessary to act on this matter. Today I will present their stories to illustrate how seriously this issue is to the young men of this province.

Third, Mr. Speaker, I will point out that portraying all young males as a safety hazard on Alberta highways, as the current insurance structure does, is not only inequitable; it is erroneous. The greatest threat on Alberta roadways is inexperienced drivers of both sexes, and I am certainly in support of any measures that improve the driving performance of this group.

Finally, I will point out that the passage of this bill will not cause the unintended consequence of insurance providers refusing to provide coverage for young males. Such a result would defy the most elementary rule of economics: demand will be met by supply. If one insurance provider does not want to service a particular group under Alberta's competitive insurance industry, there is certain to be another company that sees this as an opportunity and will fill the niche gap.

Mr. Speaker, let me begin by explaining just how the inequitable auto insurance rates charged for young men came to be. In the 1930s, at the behest of insurance providers, legislation was passed in a number of jurisdictions across the country to allow insurance companies to develop a statistical plan. That is, the government allowed insurance companies to divide people into demographic groups such that different rates could be charged depending on the risk associated with each group, a risk determined by statistical analysis of that group's past. Initially, insurance companies chose to break down groups for customers only into business and pleasure drivers. By the 1950s these statistical groups had grown to include territory of the driver, previous accident claims, age, and marital status.

It was in 1957 that gender was introduced as a statistically significant criterion to break down insurance customers. Significantly, males under 25 were placed into a single statistical category, and any person who happened to be in this category was subject to the same hefty fees, whether they were the most irresponsible and reckless drivers on the road or the most courteous and careful people that ever sat behind a steering wheel.

So, Mr. Speaker, you can see that what has become an accepted abuse of gender equality started out as an addition to a law that had good intentions. The law does not demand that this categorization of males persist. It is merely something that seemed to fit the parameters of the law. It has crept in and stayed because no one has felt it a priority to remove it. Well, I'm making it a priority, and I hope you will agree that today is the day to fix this aberration that violates gender equality.

Some members of this Assembly, Mr. Speaker, might question whether Albertans are truly moved by the abuse of their rights as individuals. As a member who takes pride in listening to her constituents' concerns, I can assure you that Albertans are upset, and increasingly so, at the way insurance provision works against them today.

I want to tell you the genesis of my introduction of this bill. When our son was graduating from high school, a friend of his was going into the trades to be a millworker. In order to do that, he had to buy his tools, which were expensive. He had to pay some tuition, some

costs for his instruction. He had to buy a car, a set of wheels to get him to the work site because public transportation didn't take him there. So he did all of those, paid all of that, and then he had to take out insurance on the old car that he paid \$500 for. What he was quoted for insurance was \$4,020, something that he couldn't afford to pay. Hence, the reason why I'm here today to speak to this gender inequity is because this young man's older sister was only paying \$900 at that time for the insurance on the car.

I have also brought with me, Mr. Speaker, a letter from a gentleman with the same root problem of abusive rates of insurance for young male drivers. With your permission – and I would provide copies to the House – I would like to read a paragraph from that letter. He says:

Although I realize that as a group, young men may have more accidents per driver than young women of the same age, the problem with the present system is that the determination of a driver's rating begins before he or she even gets behind the wheel, and is done so solely on the basis of gender. As you will no doubt agree, there are young men who are extremely safe drivers, and there are young women who are a road hazard. The injustice lies in prejudging a driver as safer or riskier based solely on what gender he or she was born. This must be stopped.

I hope, Mr. Speaker, that members of the Legislature can see my point, that it is discrimination, plain and simple, to charge different rates for male and female drivers. Moreover, I hope they can see that this inequity is affecting Alberta's families. It is harming their mobility and in some cases limiting their ability to seek employment and to live a full and productive, honest and responsible life.

Mr. Speaker, I wish to make it clear that although I am very much in favour of removing inequities in insurance provision, I am also a very strong advocate of road safety. This is not at all a contradiction. I would be the first to say that offenders of our road laws should be punished fairly and expeditiously, but common sense alone tells us that not all male drivers are offenders and not all females are angels or vice versa or virtue versa.

If truth be told, Mr. Speaker, the greatest hazard on the road is young and inexperienced drivers. Driving is a skill that demands building a respect for the wheel, the vehicle, the road, and other drivers. Giving a driver time on the road is one of the most effective ways of building the maturity and confidence that will lead to reduced accidents. A report from the Coalition of Alberta Automobile Insurers, for instance, suggests that drivers with a licence for less than two years are twice as likely to be involved in a road accident.

I am, Mr. Speaker, fully in support of any policies that serve to reduce the hazard posed by inexperienced drivers. I am, for instance, a strong advocate of graduated licensing. For those members of the Assembly who may not be aware, I would like to explain the details of such graduated licensing. The essence of this policy is to turn the process of licence issuing from a sudden, complete process to an incremental process drawn out over time. Drivers are initially given a licence with certain restrictions placed on it that keep the driver away from driving hazard zones. It is a creative policy, nonjudgmental as to gender, and it works.

Ontario, for instance, instituted graduated licensing in 1994. In that time there has been a 31 percent drop in collisions, and the injury/fatality rate dropped by nearly 25 percent. Graduated licensing evaluations in Maryland, California, and Oregon have shown a 5 to 16 percent reduction in new driver crashes. So, Mr. Speaker, it is with great enthusiasm that I would herald Alberta's efforts to introduce a similar graduated licensing program. As it stands, Alberta will be joining almost every other province in Canada this year by enacting a graduated licensing program that will take effect shortly.

4:40

The last point I wish to make, Mr. Speaker, is that in legislating a law that prohibits insurance providers from charging higher rates for males, the result will not be insurance providers refusing to provide insurance for young males. Such a result defies the rules of elementary economics. In Alberta we have a competitive insurance industry regime. That is, any insurance company that meets certain standards is allowed to and encouraged to open for business in this province. This being the case, it makes little sense that all insurance providers would suddenly stop offering any insurance to males.

To support this point, I ask the members of this Assembly to turn their attention to the state of Montana. In 1985 legislation was passed in that jurisdiction which was very much in sync with the proposed legislation today. It unilaterally prohibited the use of gender in auto and all lines of insurance. It did not prohibit the factor of age nor modify its insurance regime in any way that would magnify the effect of simply removing gender as a rating variable. What was the result? Exactly as I have put forward to you today: no auto insurers stopped writing auto insurance for males for reasons other than noncompliance with state solvency laws. Mr. Speaker, this example serves to emphasize that the threat of an insurance provider exodus is merely a myth. It is an unsubstantiated fear that defies both logic and precedent.

I have presented this afternoon at length why Bill 202 is important to me personally and why it is important, I believe, to Albertans. In summary, I have shown, I hope, how provisions to allow for gender discrimination evolved over time, that gender was not always a criterion of insurance provision in Alberta, and that it need not continue to be an aspect of insurance provision.

Secondly, I brought forward the testimony of a number of Albertans to demonstrate that the issue is important to them. The passage of this bill and the efforts it will make in reducing gender discrimination will liberate young males and their families from an entirely unjust financial burden. It is a liberty that is owed to the young males of this province that are conscientious and responsible citizens. It is a liberty that is long overdue.

Third, Mr. Speaker, I emphasized that I am a strong advocate of road safety. My commitment to eliminating inequities in auto insurance premiums does not contradict my duty to this important cause. I believe Alberta's efforts to introduce graduated licensing are well placed, and I believe without a doubt that the new licensing system will markedly reduce traffic collisions on Alberta roads. Graduated licensing is a positive, nondiscriminatory way of reducing road hazards in this province.

Finally, Mr. Speaker, I wish to point out again that it is nothing but erroneous to suggest that the introduction of legislation eliminating gender discrimination in auto insurance will cause young males to be denied access to insurance. Businesses will continue to be eager to meet the needs of the young male market. Evidence from other jurisdictions only confirms this point.

Mr. Speaker, Bill 202 is important for Alberta. It deals with a topic that has not received attention to any great extent in the past decade, not because it has not been important but because it has not had a voice. Some years ago my constituents raised their voice, and I'm here today to ensure that that voice is heard in this Legislative Assembly.

I ask for the support of all here to address this inequity as I have outlined in the auto insurance premium payments.

Thank you.

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

MS CARLSON: Thank you, Mr. Speaker. I'm happy to address Bill 202, the Insurance Statutes (Gender Premium Equity) Amendment Act, 2001. I always assumed that I would be the very last person in this Assembly who would speak against eliminating any kind of gender inequities in this province, but I find on this particular bill that I'm really torn in terms of the choices that we have before us. Eliminating gender inequities, whether they're male or female, is something that I have fought for over many years. But in all cases I think it's very important that we take a look at the issues before us and make decisions based on fact and background information rather than just assuming that if there is a bias, it needs to be eliminated.

I'm not convinced that this particular bill is the answer to this particular situation. I think, to me, at first glance it looks like tinkering around an issue that really calls for overall reform. Certainly there are lots of issues with car insurance that need to be addressed, and the gender bias may be one of them, Mr. Speaker, but I'm a little reluctant to take a look at it in isolation of the rest of the criteria that need to be talked about.

I say this, Mr. Speaker, having a 17-year-old son and a 15-year-old daughter, so both of them are at the stages where they're wanting to be driving, have licences. What do you do about the insurance situation? There's no doubt that it is exorbitant for young men. I'm a single parent, so if my son is insured with my car – he's insured as an independent driver, not as a second driver on one car. The quotes we've had range from \$2,700 a year to \$3,700 a year. For my daughter, who'll be 16 very shortly, the same quotes come in about \$750 to \$900, so I see that there are great inequities.

Why are they terrible? I think that's the question that we need to ask ourselves. What is it in the background of these young men driving that puts them in such a higher premium class? I don't think these decisions are just pulled out of thin air. I take a look at my two kids and I see that my son is a very dependable guy. He is an excellent driver, I think, a very reliable kind of kid, a very safe driver, but he's also a kid who can't find the milk in the fridge most days, Mr. Speaker. So what does that say to their perceptions when they're out there on the road? That is a question that I ask myself every time I see him getting into the car of one of his friends. How safe are they really out there? How well are they able to judge the different influences they have as they're driving and able to react to them in a timely fashion?

A couple of years ago I took a defensive driving course put on by one of the local companies where we had a really mixed group of ages and genders. By far the young men under 25 were the absolute worst drivers in terms of reaction time and being able to analyze what they would do in a potentially dangerous situation. There were young women there under 25 too. There were older people. [interjections] No, I don't think that the young women were the distraction in this particular case. Certainly we could see that these young men did not have the reaction time and were not able to assimilate all the information coming to them in any where close to the same kind of reaction time of the other groups. So it leads me to think that there is some justification for the kinds of classifications we have now.

4:50

When we take a look at this bill bringing into effect the reduction of a gender bias, the theory sounds really good, but how does it actually work in practical applications, Mr. Speaker? If we take a look at other provinces where this has been brought forward, what we find out is that the responses of the insurance companies are quite interesting. So far in Canada the provinces that have changed their criteria are British Columbia, Saskatchewan, and Manitoba. What happens is that the government insurers in these provinces

have chosen to charge less than the risk assumed for young drivers and male drivers and charge more for older drivers and female drivers, so you've got a cross-subsidization happening there. That is obviously going to be of consequence. If we subsidize one group of drivers, somebody else pays the price, so I think that's something that needs to be looked at.

In 1988 the Ontario Automobile Insurance Board proposed changes to their classifications that would have disallowed the use of age or gender or marital status as a ranking criteria, and what happened was that the proposed uniform classification plan was dropped by the government due largely to opposition from older drivers, who would have paid substantially higher premiums.

I don't think we can take a look at this particular bill in isolation of all the other factors that impact on it. I think definitely it's an issue that needs to be studied. I think we need to hear both sides of the story. We need to send this bill out to insurance companies and to other groups who are affected by it and get their feedback on it to find out what people think.

Certainly when we see court rulings about this issue, so far what's happened in the Canadian courts is that the rulings have come down in favour of current practices. They talk in the rulings about how the insurance industry must be allowed time to restructure the classification system in a manner that eliminates all kinds of discrimination in group characteristics and that so far there are no reasonable alternatives to setting these premiums. I agree with that.

I think we need an overhaul in the system. I think that we have a responsibility as legislators to put some pressure on the insurance industry to start to address that. I think there are many different ways that that can happen, but I don't think that we can just tinker with the system in this instance and think that that's going to come anywhere close to solving the outstanding issues.

I say that, being on both sides of the coin in terms of having to pay for insurance for these kids that are going out on the road, and I think we need more information. I think it's true that the greatest problems we have are inexperienced drivers, but also reaction times and ability to process multiple sources of information coming to people is an issue to be talked about. I think we're a long way from being able to bring in legislation that starts to address this issue.

I think that I would be fully supportive of any kind of a review that the government could bring forward on this or any initiatives brought forward by private members on this kind of an issue, but I just don't think that I am prepared at this particular time to support a bill that is tinkering.

So with those comments I'll take my seat and allow other members to participate in the debate.

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

MR. CAO: Thank you, Mr. Speaker. I'm pleased to rise today to speak on Bill 202, brought forward by the hon. Member for St. Albert. The bill proposes that under the insurance system both males and females should have the right to contract similar insurance services on equal terms without discrimination.

Mr. Speaker, as an advocate for equal rights for all I agree that we must try to achieve greater equality between men and women in our society. Allowing young men and women to pay vastly different auto insurance rates is discrimination, plain and simple. We cannot allow a practice that judges whether people are liable based on nothing more than just their gender. Several inquiries have concluded that the Alberta Insurance Act encourages and perpetrates the segregation of people by gender. This is a classification system that gives rise to discrimination of individuals, which violates their protected rights.

Different insurance companies within Alberta have developed several categories of insurance rates according to driver statistics. In order to keep the insurance level fair in each category, they have developed a system that differentiates between things like people who do not have driving experience, the amount the driver will be on the road, and where the driver lives. However, they have taken this categorization a huge step further; they have divided drivers under 25 into male and female categories. This becomes a problem when males under 25 are facing insurance bills \$1,000 higher than their female counterparts. Mr. Speaker, the Alberta Insurance Act has allowed insurance companies to judge a person and their personal liabilities based on the fact that they are male or female, not personal experience or behaviour.

This bill would eliminate one of the last remaining acceptable practices of gender discrimination. All other classifications currently used for insurance purposes are classifications that the driver can choose to change his insurance rate. A person can decide what vehicle to drive, whether or not to take driver education, or what they use that vehicle for. Gender is something we have no choice over, and it is not fair to group people by it and impose vastly different rates based on this reason.

There are just as many good male drivers as female drivers. It is just that males on the average drive greater distances, which increases their chances for an accident and skews the statistics. This must be taken into consideration. We must judge people based on an individual's experience, not a generalization based on physical characteristics beyond their control, though it is a difficult decision to make in light of the poor statistics against male drivers under the age of 25. I don't believe we should ever discriminate against Albertans based on their gender.

This method of a gender-based system could be seen as over-charging some drivers by the risk they bring to the system. The present system takes a large amount from a small group and only slightly reduces the burden of the many, whereas developing genderless insurance would spread the burden of high cost by taking small increments from the many. When applying the multiple variables such as age and territory for the drivers who happen to fall in more than one high-risk category, it yields unsound premiums for such drivers. Rating with fewer categories merits a plan based more on individual experience. This would better justify the cost of premiums and build individual driver incentives.

The final benefit of Bill 202 is the social gain for individual rights that we will receive for eliminating another barrier. Discrimination based on gender is something that we do not and should not stand for in Alberta, especially as a member of this Assembly. Continued support of a rating system for stereotyping young, unmarried males as bad drivers can produce greater negative economic effects.

5:00

Those who are under the age of 25 in our society are usually unmarried and starting to build their earning potential. It does seem unfair to take the disproportionate share of costs from those who are economically incapable or deprived. Moreover, it is unfair to such high-risk drivers to allocate various administrative expenses in proportion to the premium charged. They have no choice under the present system of what category they are assigned to, yet they are also charged extra administrative expenses that match their premium.

By promoting a classification system, people must be judged by statistical risk from the beginning, not after losses are incurred. Thus, rates cannot be assessed on the individual experience, because forecasts of risk can be made only with reference to a group of statistics, and this is something we have to take into account.

To extend an individual rating system to its limits would eliminate

the concept of grouping, which is essential to insurance. In any case, the ability to predict the randomness of accidents is not a function of category-based insurance. It is reflected in the fact that some current social science theory demonstrates a preference for the use of statistical groupings over the individual cause in social science or studies.

Discrimination based on age or marital status does not imply socially offensive stereotypes in insurance. Discrimination based on sex taken together with other factors employed permits the separation of low-risk drivers from high-risk drivers. Also, the present system permits a reduction in rate wherever the improved performance of a particular category of drivers is detected, including performance of young male drivers.

Mr. Speaker and fellow members in the Assembly, I would like to say that the cause of rights, responsibilities, and equalities is important to uphold. Yet the whole principle behind categories of insurance premiums is the ability to charge the high-risk customer based on their ability, with or without individual experience. Though it is, again, a difficult decision to make in light of poor statistics against male drivers under the age of 25, I don't believe we should discriminate against Albertans on the basis of their gender. Creating a system based on individual experience would show that as a society we do not support judging people on the differences they cannot control but by their ability.

Thank you very much.

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

MR. MacDONALD: Thank you, Mr. Speaker. Again I rise this afternoon to speak to a private member's bill. It is with interest that I speak this afternoon. I would like to congratulate the hon. Member for St. Albert for reintroducing it, or, in these terms, if you at first are not successful, try and try again. The hon. member introduced this bill in 1999, and here we are this afternoon.

This bill, I believe, would restrict or limit the use of gender as an auto insurance rating criteria. Certainly this whole issue has been discussed in this province before. Of course, we go back – I think it's 11 years, Mr. Speaker, since this issue was dealt with at a human rights tribunal. By the time it moved through the process, the individual who initiated this hearing had gone into another age bracket and had insurance rates that were substantially reduced. But it did go to the Supreme Court of Canada at some point.

The only provinces that currently restrict the use of gender are the government insurers in B.C., Saskatchewan, and Manitoba. I believe there's a verdict coming any day now, Mr. Speaker, on the government-run insurance program in British Columbia. I have read extensively about that, and I think the jury is going to release their verdict on that.

The Insurance Act is to be amended, of course, by this bill, and I understand this is to be added after section 294. Now, the hon. Member for Calgary-Lougheed in the last session of the Legislative Assembly did a lot of work on overhauling the first part of the Insurance Act, which, as I understand it, had not had any extensive work since the First World War, and she worked very hard. She worked very hard with a group of people from the industry, and the bill was so large, they decided to do it in two sections. I'm curious, and hopefully later on in the debate in this Assembly the hon. Member for St. Albert can explain to the House why we need this stand-alone legislation and why we couldn't incorporate any of the further changes that are going to occur, hopefully in this term, with the Insurance Act.

Now, similar proposed changes were discussed in Ontario, I

understand, in 1998, but they were dropped by the government due largely to opposition from older and female drivers, who would have faced substantially higher premiums. There's a trade-off here, and contrary to what some government spokespersons may say, we do not have an aging crisis, an aging population in this province. We're one of the youngest provinces in Canada, but at some point in the future another generation, in the years 2016-2018, will have a substantially larger percentage of the population, 14 percent I believe, over the age of 65. If we were to reduce the premiums for one age group, will it unfairly increase them for another? If the hon. member could perhaps address these issues as the debate continues, Mr. Speaker, I would be very grateful.

I listened with interest to her remarks regarding graduated licensing, and I would be curious to know if there have been any studies conducted or perhaps even concluded in relation to graduated licensing and how that makes safety on our highways better and also if it reduces the number of accidents in those age groups.

Now, we're going to go through this legislative process, and we have to consider, when we discuss this bill, what has happened in the Supreme Court of Canada, and we have to look at and respect that the final rulings by the Canadian courts have been in favour of the current practices. We look at the 1992 Supreme Court of Canada decision in *Bates versus Zurich Insurance* and the 1993 Alberta Court of Appeal decision in *Watters versus The Co-operators*. The Supreme Court in 1992 upheld the use of age, gender, and marital status as rating criteria, and it was a majority opinion, Mr. Speaker.

5:10

Now, I wonder what sort of consultations the hon. Member for St. Albert has had with the Insurance Bureau of Canada or perhaps with Mr. Wood here in Alberta. In response to this challenge, Mr. Speaker, the Insurance Bureau of Canada has examined auto insurance rating practices used in a number of countries and has conducted a detailed actuarial analysis for nine driver-related variables in data collected from all insurers through the current automobile statistics. The findings and recommendations from the survey and the actuarial analysis are concluded in two main points. A better measurement of risk is the best tool to ensure fairness in the pricing of automobile insurance for consumers, and age and gender are actuarially significant variables in the accurate determination of accident risk. Secondly, elimination of age or gender as auto insurance rating criteria would significantly disrupt current pricing as the cost of subsidizing young and male drivers is imposed on older and, again, on female drivers.

There is a relationship between driver age and accident frequency, and that has been well established. Now, young drivers are involved in a greater number of both fatal and injury-producing accidents than their older counterparts. The relative risk facing younger drivers can be as high as 2.5 to 3 times that of older drivers, and the evidence is also clear that female drivers typically demonstrate a lower accident risk than male drivers. The insurance industry recognizes that the higher accident frequency of younger drivers is due in part to their lack of driving experience. However, numerous studies have also demonstrated that because of their lifestyles and outlooks, young drivers still represent a greater risk than older drivers with the same amount of driving experience.

Now, to reduce premiums. If the hon. member's initiative here with Bill 202 is to do that for everyone, well, then I believe we're going to have to take a long look at considering supporting this bill. How the legislation will work in light of the insurance industry's visits previously to the courts not only here in Alberta but also in Ottawa should be considered by this Assembly.

Mr. Speaker, we have to look again very closely at Manitoba and

Saskatchewan and British Columbia and the different systems that those provinces employ and, overall, at which better serves the consumers. It's fine to think that the insurance industry will appeal to the courts, but I would suggest to the hon. member – and perhaps the hon. member has already been in consultation with the insurance industry regarding this issue – that certainly it's an issue that we all will deal with eventually at our constituency offices. When we look at what the Alberta Human Rights Commission concluded in 1990, that yes, there was discrimination, and at what happened further along in the judicial system, then perhaps the best way of dealing with this is to consult, whenever there are further consultations with the insurance industry and consumer groups in regards to strengthening and modernizing the current Insurance Act.

Now, I don't know the business of the governing party, but certainly the hon. Member for Calgary-Lougheed did a very good job with the first initial modernization of the Insurance Act. Of course the jury will still be out on that because the consumers are just getting to understand, as is the industry, the implications of the first part of the modernization of the Insurance Act. Perhaps that is where this bill belongs, in the second part of the overhaul of the Insurance Act.

Anyway, Mr. Speaker, with those remarks on Bill 202 I shall cede the floor to one of my hon. colleagues. Thank you.

THE DEPUTY SPEAKER: The hon. Member for Cardston-Taber-Warner.

MR. JACOBS: Thank you, Mr. Speaker. I'm certainly pleased this afternoon to rise to speak in support of Bill 202, the insurance amendment act. I will present three reasons this afternoon for why this bill should be given just review and ultimately be passed by members of this Legislature.

First, the bill deals directly with a subject that is fundamental to the existence of this elected body, the principles of equity and justice. It does not take much common sense to realize the current practice of charging different prices merely based on gender is a violation of the most basic sense of equity. This is especially true in face of the fact that there are other accurate measures for determining risk that can be used.

Secondly, I would like to point out to the Legislature that Alberta is not the only jurisdiction that has considered legislation regarding automobile insurance. Several provinces in Canada and the U.S. have passed such legislation. In each of these cases the problems predicted by the opponents of this bill, such as insurance operators refusing to offer insurance to male drivers and massive increases in insurance premiums for female drivers, have failed to materialize.

Finally, I want to add that the idea for this bill was brought forward by a constituent, and passage of this bill will be a demonstration of the effectiveness of this legislative Chamber as being truly responsible to the people of Alberta.

Mr. Speaker, gender equity has been a much discussed topic in Alberta and around the world for several past decades. Most often the concern has been that women have been discriminated against in their workplaces, their homes, and their communities. Judicial bodies and legislatures have taken action to address these very legitimate and fundamental concerns motivated by the very basic premise that men and women must be treated as equals and individuals and that any set of rules that violates such a premise leads to an unjust society. Yet as these actions go on, we continue to allow for the existence of a regulation that violates the equity of men. Quite simply, allowing insurance providers to charge different fees for men and women, no matter how it is justified, is an act of sexual discrimination. Merely by being born as a male, a factor that clearly

no one can influence, people are subject to higher insurance premiums under current regulations.

According to statements from the Alberta Motor Association there could be up to \$1,000 yearly difference between the costs for males and females under 25, even with an identical driving record. If Alberta seeks to achieve the admirable goal of gender equity, it must not allow insurance providers to continue to charge these substantially higher premiums for males.

Opponents to this bill, Mr. Speaker, are sure to have suggested that equity can be justifiably violated in a situation where the group causing the highest loss costs pay the higher premiums. Indeed, the statistics do suggest that young males are more likely to get into an accident than females. The point of this bill, however, is to recognize that it is not all males that cause accidents; it is only a few. Those that do cause accidents should justifiably pay higher premiums. Those that do not are being outrightly discriminated against for their gender. Similarly, not all women avoid accidents. Some are free riding off the relatively reduced rates provided for their gender.

Rather than deciding on rates by dividing drivers into men and women, the equitable solution would be to look at drivers as individuals, to judge their performance as individuals and charge them a premium proportional to this individual performance. For instance, insurance providers could collect such statistics as miles driven per year, previous driving record, and convictions or the number of claims made by the driver. This information is easily obtainable and shows a direct link with the likely future driving record. Most importantly, it looks at drivers as individuals and does not judge them on the gender they are born. Gender equity will only become about in recognizing this very basic point and passing this bill.

5:20

The second point I seek to address, Mr. Speaker, is that the evidence from jurisdictions that have made changes similar to those proposed here is that they have not suffered from the negative consequences that opponents of this bill have suggested would occur. Insurance that does not discriminate based on gender exists, and it is working without problems. There are several such jurisdictions in Canada and in the United States.

I would like to refer to the case of the state of Montana. In 1985 Montana entirely eliminated the use of gender or marital status as a legitimate grounds in drawing up insurance rates. In no other way did they modify the insurance rate regime that amplified the effect of simply removing gender as a rating variable. And what were the results? No auto insurers refused to write insurance for young male drivers. There was no exodus of insurance providers fleeing from the state regulation. Indeed, it seems few providers, if any, have closed or moved since the introduction of the legislation in 1985. So despite what some opponents assure us would happen if this bill were to pass, insurance was still available. It is a myth that insurance providers will not continue to have an incentive to provide insurance for young male drivers if gender equity is made the law.

On this note of successful precedence, Mr. Speaker, I would also like to make it clear that evidence suggests not only that insurance would continue to be available for young male drivers but that under current legislation insurance agencies would most likely be required to provide some level of insurance. Under the Human Rights, Citizenship and Multiculturalism Act, it would likely be illegal for the Alberta Automobile Insurance Board not to provide adequate insurance to young male drivers. Of course, as mentioned, the necessity for such judicial intervention would be remote because insurance providers would be perfectly willing to cover young male drivers. I merely mention the point to address the inaccuracies put forth by opponents of the bill.

Lastly, Mr. Speaker, I would like to point out that passage of this

bill would serve to confirm that we in Alberta continue to be responsive to the people that elect us. This bill was brought to the attention of the Member for St. Albert by one of her constituents. She believes in it. She has been passionate about defending the voice of Albertans. It is time that this Assembly recognizes this determination, this effort to make the legislative process do the very duties it was created for. They must see that something which has been fought for this hard probably has some virtues that members may not have previously considered.

To summarize, Mr. Speaker, I have brought forth three important points about Bill 202. The first is that despite what excuses may be brought forth, charging a different insurance premium for someone merely because they are born male is simply inequitable. Allowing insurance companies to continue with this practice is condoning gender discrimination.

Secondly, I've brought forth the point that other measures of determining insurance rates in an equitable manner can exist and in fact are being practised. The Automobile Insurance Board in

Alberta has said that there exists no obvious surrogate for gender. Well, they are wrong. Other factors such as miles driven, driving record convictions, and number of claims accurately predict a driver's behaviour and can serve as perfectly suitable surrogates.

Finally, Mr. Speaker, this bill has been brought forth in a manner that represents the best of the democratic process in Alberta. A violation of the equality of Albertans has occurred. A constituent brought an idea forward to their MLA to confront the inequity. The MLA has worked hard to get her colleagues to give consideration to the benefits of this bill.

Mr. Speaker, in closing, may I just say that because of the points made, I would urge the Assembly to support this bill and pass it. I now wish to move that we adjourn debate on the bill at this time.

[Motion to adjourn debate carried]

[The Assembly adjourned at 5:27 p.m.]

