

## Legislative Assembly of Alberta

Title: **Wednesday, March 6, 2002**

**1:30 p.m.**

Date: 02/03/06

[The Speaker in the chair]

head: Prayers

THE SPEAKER: Good afternoon.

Let us pray. O God, grant that we the members of our province's Legislature may fulfill our office with honesty and integrity. May our first concern be for the good of all our citizens. Guide our deliberations this day. Amen.

Please be seated.

head: **Introduction of Guests**

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

MS CARLSON: Thank you, Mr. Speaker. It's with great pleasure that I introduce to you and through you to all Members of the Legislative Assembly one of my favourite schools in the constituency, favourite because my kids went there. Today we have 56 students in attendance and seven adults. The teachers are Mrs. Caroline Lepps and Mrs. Helen Meiers. They are accompanied today by parent helpers Mr. Pat Ryan, Mr. Greg Abesamis, Mrs. Tammy Bruens, Mrs. Liz Moniz, and my good friend Mrs. Jo-Anne Ward. It's Holy Family Catholic school. I would ask that they please all rise and receive the traditional warm welcome of this Assembly.

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

MR. BONNER: Thank you very much. I have a number of introductions today. I would like to introduce to you and through you to all members of the Assembly Marj Bouchard and her son Bill. Marj is a longtime volunteer with minor hockey in Edmonton. She has served as the novice city category director. She has run an arena for many years during Minor Hockey Week, and she has also hosted the Bill Bouchard memorial tournament for 27 years. They are seated in the public gallery, Mr. Speaker, and with your permission I would ask that they now rise and receive the traditional warm welcome of the House.

My next introduction, Mr. Speaker. I would like to introduce to you and through you the students of one of my favourite schools, St. Philip Catholic elementary school. This is the school that my children attended. They are accompanied today by Mr. Jerome Burghardt and Mr. Roger Millette as well as parents Mrs. Pauline Sevigny, Mrs. Marie Yaremko, Mrs. Emily Reichert, and Mrs. Elaine Vervoorst. They are seated in the members' gallery, and I would ask them all to rise now and receive the traditional warm welcome of the House.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Castle Downs.

MR. LUKASZUK: Thank you, Mr. Speaker. As you may know, Edmonton government MLAs, which now are quite a numerous bunch, may I add, would like to foster a spirit of co-operation with the city of Edmonton, and in that spirit we have teamed up into a buddy system with city councillors. It is my pleasure to introduce my buddy city councillor from the city of Edmonton, Mr. Allan Bolstad. I would ask Mr. Bolstad, who happens to be a constituent of my seatmate, to rise and receive the warm welcome of this Assembly.

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

MR. JOHNSON: Thank you, Mr. Speaker. It's a pleasure to introduce to you and through you to the members of the Assembly two very special guests from my constituency: Mr. Andrew Church, acting president of the Agriculture Financial Services Corporation, and his wife, Bev. They are seated in the members' gallery. As acting president Mr. Church's extensive experience in business administration and agricultural finance provide leadership to the AFSC, which assists approximately 26,000 Alberta farmers and agribusinesses to achieve their operational and financial goals. I'd like to ask Andrew and Bev to rise in the gallery and be received by the Assembly.

THE SPEAKER: The hon. Minister of Municipal Affairs.

MR. BOUTILIER: Thank you, Mr. Speaker. It's my pleasure today to introduce a lady who is a citizen of Fort McMurray and who is very active in the postsecondary institution of Keyano College, where my wife actually teaches. She's the executive assistant to the president and also, I might add, a very good friend of the Member for Drumheller-Chinook. I'd ask Wendy Crawford to stand and receive the very warm welcome of the Assembly.

THE SPEAKER: Hon. Member for Edmonton-Highlands, we'll deal with your point of order under the regular Routine aspect; okay?

head: **Oral Question Period**

THE SPEAKER: The hon. Leader of the Official Opposition with the first Official Opposition question.

### Children's Services

DR. NICOL: Thank you, Mr. Speaker. Today I want to provide the Minister of Children's Services with an example of one parent's struggle with her ministry, a struggle that is shared by dozens of other parents. This parent has tried to appeal to the Child Welfare Appeal Panel about the level of funding for her child, only to be told by the panel that her case is not in that jurisdiction. My question is to the Minister of Children's Services. Whose jurisdiction is it to make sure that handicapped children who need intensive behavioral intervention get the full support recommended by their professional staff?

MS EVANS: Mr. Speaker, I'd like to say thank you to the hon. member for providing me with a specific example that I can follow up on. The reference points that have been made both in the media and from hon. members about the adjudication of some 85 cases to the tune of \$3.5 million – I want to clearly state that all those who have gone before the appeal panel who have received services will not have those services reduced if they have been judged at an appeal to be appropriate services. Any service reductions that may have occurred over the last six to eight months in services to children with developmental disabilities have been done in consultation with the families and have been done in a manner which we would hope would reduce what might be excessive in service but keep the service requirements in the best interests of the child. While those adjustments may have caused some hardship, we have asked for a review of all of those adjustments that have been done in the last eight months. So, simply put, if in fact any hon. member or anybody in Alberta wishes to present to me circumstances which are tangible evidence that some of those reductions may have hurt children, we are more than happy to go back. Our job is to protect the children.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. My next question is to the Minister of Learning. Why is it that your department referred these children back to the children's services appeal panel when they had already referred them to your department saying that it was your department that was responsible for providing that intervention?

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you, Mr. Speaker. If there is a jurisdictional issue on the local level, we will certainly get to the bottom of this. The ultimate panel that is responsible for this is the child welfare panel, that the hon. Minister of Children's Services looks after. However, I will give the hon. member the undertaking that if there has been a jurisdictional issue there – I do not agree with having one group causing a child to go to the other group within government. If that did occur, I will get to the bottom of it.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. My final question is to the Premier. With both ministers saying that the other is responsible, will the Premier commit to looking into and clarifying for this parent which minister is responsible so she knows which minister to go to to get a solution to her problem?

THE SPEAKER: The hon. the Premier.

MR. KLEIN: I think I heard the hon. Minister of Learning say that he's committed to getting to the bottom of this situation, and I will ask both ministers today to discuss this matter and iron it out.

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

1:40

### **Women's Shelters**

DR. NICOL: Thank you, Mr. Speaker. Last year the Ministry of Children's Services launched an internal survey which will supposedly help it improve services. Yesterday a letter was tabled in this Legislature from the executive director of the Calgary Women's Emergency Shelter stating that the goal of this survey seems not to be to improve services but to cut them. To the Minister of Children's Services: can the minister explain how this survey is even remotely fair when it gives people the impression that maintaining services could mean a trade-off as a 5 percent tax increase?

MS EVANS: Mr. Speaker, I'm aware that a member of the third party tabled a letter. I received a copy of that letter. I'm not sure that it is the survey that was done by Children's Services or if, in fact, it was the survey that was done through permission that I granted to the association for women's shelters across the province, which Jan Reimer sought and received permission from my department to release. I can assure you that with the deputy minister and the executive director of the Alberta association of women's shelters we are reviewing not only the funding model but the manner in which technology links up with the department. We are reviewing whether or not the system to envelope funding to the local authorities across Alberta to deal directly with the shelters is the appropriate fashion or if, in fact, the dollars which we have increased substantively in the last two years could be better meted out through the department because shelters don't exist in every single authority.

There are 19 shelters we fund, 28 shelters in all in Alberta, and we are working more closely than we ever have with Children's Services and the women's shelters.

Could I point out one success that was reported to me just this week from the director of the association for women's shelters? Apparently, because of our conversations we've already been able to open doors for a better dialogue with law enforcement authorities and women's shelters across Alberta. So we are doing our utmost to be co-operative, and I can assure you that if we had the directors from all the shelters sitting in this Assembly today, they would tell you that we've made headway.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Back to the Minister of Children's Services: why did the survey contemplate that women's shelters should no longer be the responsibility of government? Who's going to pay? Are you going to charge room and board?

MS EVANS: Well, Mr. Speaker, it has never been the intent of Alberta Children's Services ministry or this government to divest ourselves of responsibility. There has never been one thought to entertain that. There have simply been questions about the funding and the manner in which we're funding them through Children's Services. At one point some of the women questioned whether or not Children's Services by the very title was the appropriate area. We have understood that they understand that we are working hard with them. It's a ministry of government.

Also, Mr. Speaker, I'm going to enlighten this House that we are working in close co-operation with the hon. minister in charge of the Solicitor General's responsibilities because sexual assault centres across Alberta are asking us for information as well, and the hon. minister may wish to elaborate on that answer.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. My final question again to the Minister of Children's Services: how much did this survey cost, and will it be released to the public?

MS EVANS: Well, Mr. Speaker, I would be very happy to provide those details, but again I want to confirm whether or not this is our survey, the Minister of Children's Services' survey, or if in fact this was the more recently released survey that happened within the last two months from the association of women's shelters. But with any survey that we have undertaken on behalf of services for women who have experienced family violence, we'd be happy to provide that information.

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

### **Ma'Mōwe Child and Family Services Authority**

DR. MASSEY: Thank you, Mr. Speaker. According to an Edmonton city council Community Services Committee report, cuts to the Ma'Mōwe region are putting children at risk. My questions are to the Minister of Children's Services. Given that the minister claims that millions of dollars have been put into the system, why are at least 25 preventative programs in this region being axed?

MS EVANS: Mr. Speaker, previously in the House this week I tabled a letter that I sent to Councillor Michael Phair inquiring under

what circumstances, what survey, what information they had, and what report was the basis for claiming there had been significant cuts in Ma'Mōwe children's services. In actual fact cost-containment strategies were only effected in the last part of the latter part of this past government fiscal year, and my information would in fact deny that the draconian cuts that have been suggested were actually made. We made some alterations to programs. Last fall I identified in this House programs that we actually reduced or removed; for example, a learn to swim program. There are three premises under which we undertook cuts as far away from the child as possible to make sure we were working with families that needed child protection as our priority and to keep children where at all possible safe from risk and enabling them to grow up in the four pillars of our ministry: safe and healthy, successful at learning, and working as well with the aboriginal pillar.

THE SPEAKER: The hon. member.

DR. MASSEY: Thank you. To the same minister, Mr. Speaker: are children not being hurt when anger management, stay-in-school, and academic support programs are cut?

MS EVANS: Well, Mr. Speaker, I think that the hon. member is talking about a program that is in part delivered by the school authorities in some situations. Anger management programs in schools happen within schools, but we support anger management programs as parents and through parental groups.

One tremendous stride we've made with the child and family services authorities is to put them in close collaboration with family and community support services. We have a preventive strategy group working on putting those preventive dollars up front so that we'll be able to provide stronger preventive programs in the future, and the communities themselves have come forward very responsively to that.

Mr. Speaker, the capital region, if our plans are successful, will see an injection of at least \$3 million more for preventive programs to make sure that those programs are available, to do those kinds of things that help children from being at risk.

THE SPEAKER: The hon. member.

DR. MASSEY: Thank you, Mr. Speaker. To the same minister: why is the ministry abandoning prevention, one of the pillars on which the department's services were supposedly built? Why are you abandoning that?

MS EVANS: Well, Mr. Speaker, we are, simply put, not abandoning prevention. We are working very strongly and positively. I've just identified the family and communities support services model, but let's get back to the basics.

Every hon. member here knows that this budget has increased some 35 percent in the last two years. There isn't another commitment across Canada and there isn't another budget across this province that has increased as much as we have for Children's Services, and while I may, the children with special and unique abilities, of which we have about 9,000 children, receive an average of \$50,000 apiece over and above other programs that are being provided through either the Department of Learning or Health. We provide as much as a quarter of a million dollars for one special-needs child.

Mr. Speaker, I am taking offence, indeed, on behalf of the children that are well served by many programs in this province. We should be proud of those programs.

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

#### NHL Player Levy

MR. MASON: Thank you, Mr. Speaker. Yesterday the Premier announced a new tax. It will no doubt be a relief to Alberta taxpayers to learn that this tax will not be paid by them but by NHL players. However, it is clear that this is an actual tax and not some other form of waterfowl. To the Premier: how much revenue will this tax bring in, and how will that revenue be spent?

MR. KLEIN: Well, Mr. Speaker, it's not a tax that quacks. Details of the tax or facility fee or call it what you want will be outlined in the budget on March 19, but this is a proposal that has been visited and revisited now about – what? – three times I think at the request of the two NHL teams here in Alberta, the Flames and the Oilers. Basically, they've asked for a system that would levy a form of taxation on visiting players or players who come to Alberta to play. It would be a tax similar to that levied by I believe it's 14 other jurisdictions in the United States, where players from outside that jurisdiction are required to pay a tax, and I understand even inside those particular jurisdictions. So this is a tax or a facility fee or call it what you want – I don't know what name we've attached to it or what name will be attached to it – that certainly will not involve taxpayers' dollars generally but will be a specific tax on the players, players who earn a million dollars or so on average.

1:50

THE SPEAKER: The hon. member.

MR. MASON: Thank you, Mr. Speaker. Will the Premier assure the House that before the owners of the two teams in question receive what is clearly tax money, they will undertake not to move the hockey teams out of either Edmonton or Calgary?

MR. KLEIN: That's an interesting question. I don't know if we have any control over that, but certainly it's the opinion of Mr. Bettman, who has stated publicly that he wants to keep the so-called small market teams alive, particularly in Alberta, the Oilers and the Flames, because they do provide a tremendous amount of excitement. They do provide a vehicle for community spirit, and they contribute significantly to the economy, Mr. Speaker. The teams have indicated that until they have the opportunity to deal with the fundamental problem – and that is the problem of salaries – which won't come due I believe until 2004, they need some form of relief that doesn't involve taxpayers' dollars generally, and that's precisely what we're trying to do.

THE SPEAKER: The hon. member.

MR. MASON: Thank you, Mr. Speaker. Given that the existing agreement with the city of Edmonton requires that the Oilers stay in Edmonton until the year 2004, why can't this government do just as well and ensure that both teams stay in Alberta until at least 2008 or perhaps beyond?

MR. KLEIN: Well, Mr. Speaker, no one can predict what's going to happen in 2008, never mind next year, but I've received clear indication and I believe the Finance minister has received clear indication that indeed the owners of those teams want the teams to remain here. They're committed to those teams.

THE SPEAKER: The hon. Member for Calgary-Buffalo, followed by the hon. Member for Edmonton-Gold Bar.

### Family Law Review

MR. CENAIKO: Mr. Speaker, as a member of this Assembly a topic that is brought up regularly by my constituents is the issues surrounding family law. For that reason I am pleased Alberta Justice is reviewing all legislation that deals with family law. My questions today are to the Minister of Justice and Attorney General. How will this project make a difference to those Albertans who are struggling with the many aspects of Alberta's family law system?

THE SPEAKER: The hon. minister.

MR. HANCOCK: Well, thank you, Mr. Speaker. I'm pleased to answer questions with respect to this very important project, because just last week our public consultation process wrapped up, and we're continuing the technical consultation yet for a while. The driving force behind this was the Member for Calgary-Lougheed with a review of the maintenance enforcement program and child access and at that time brought forward in their recommendations that there needed to be a review of the family law and a simplification of it. Again at the justice summit in 1999 one of the key recommendations coming out of that was that family law needed to be simplified, consolidated, the access needed to be improved, and the forms needed to be simplified. So in response to that, Justice has had in its business plan for the last two years a review of the family law. We've reviewed internally, we're now consulting externally, and we hope to bring forward legislation this spring. We'll be examining areas of provincial jurisdiction, aiming to streamline the law, making it more accessible to Albertans, more affordable for Albertans, and clearer for Albertans.

MR. CENAIKO: To the same minister: will this review expand the definition of marriage?

MR. HANCOCK: No, Mr. Speaker. First of all, marriage in its definition is under the purview of the federal government, but the Alberta government has made it very clear that in our view marriage is between a man and a woman. What we are doing under the review is we're reviewing issues like spousal support, child access and maintenance, and the obligation of individuals with respect to support and other issues like that surrounding family law.

At the same time, Mr. Speaker, we're also reviewing issues relating to other types of personal relationships. These are not relationships that are created by government, but they're relationships which exist in society and which need to have access to rule of law when those relationships break down or when dependencies have been created in those relationships.

So, Mr. Speaker, I'd reiterate. We're not moving to change the definition of marriage or the definition of spouse. We understand what those mean in our society and in the religious institutions and the way we've historically dealt with them, but we will through this process attempt to deal with the issue of other adult personal relationships.

MR. CENAIKO: Mr. Speaker, to the same minister: when can we expect to see these changes?

MR. HANCOCK: Well, Mr. Speaker, it's been a long process because of the complexity of the issues and because we have to co-ordinate as well with the federal government. They had a consulta-

tion on family law matters last June. We're still waiting to hear what their intention is with respect to introduction of their legislation. Obviously, to a certain extent we'll want to align some of our terms and some of our processes with the federal law relative to issues around custody and access, issues around maintenance and support, because it's important, whether it's under federal jurisdiction or under provincial jurisdiction, that people are treated fairly and equitably and relatively in the same manner. So those issues have to be addressed.

As I indicated earlier, we're wrapping up our technical consultations with respect to our law. We're working very hard to make sure that some, if not all, of the family law package is available for this spring's session.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Little Bow.

### Day Care Worker Review

MR. MacDONALD: Thank you, Mr. Speaker. This government has forgotten about the homeless, the poor, the disabled, the children, and the day care workers. Last April the Minister of Children's Services said that the Clelland report on day care worker salaries was not yet ready to be tabled. In November, seven months later, it was said that it is not yet ready to be tabled. Surely it is ready now, 11 months later. My questions are to the Minister of Children's Services. Since the minister has boasted that her department will be one of the few to get new money this year, will some of that money go to address the chronic underfunding in the salaries of day care workers?

MS EVANS: Well, Mr. Speaker, we're waiting for the new budget to come out, and I would advise the hon. member that he could wait and see.

The other thing, Mr. Speaker. I should advise that at a point where we may have been able to make some policy decisions or recommendations, the family day home operators came forward. Currently we're still undertaking a review of their expectations, because it was their belief that if there were any resources from the early child development funding or anything else that was added to this program, they would be given some equivalent consideration.

Mr. Speaker, further, we have been working in close co-operation with the hon. Minister of Human Resources and Employment about some of the options available in light of the review that he's currently doing on the low-income issues that were raised earlier last year. He may wish to supplement my answer about what his department intends to do.

THE SPEAKER: The hon. member.

MR. MacDONALD: Thank you, Mr. Speaker. Again to the same minister: is the minister admitting that she will be not addressing the issue of salaries for those who care for so many Alberta children despite the urgent need for action? You promised.

MS EVANS: Well, Mr. Speaker, you know, if we owned day cares in this province, then we would be responsible for every issue, including the payment of salaries. The very success of the operation of day cares, especially those parent co-operative day cares, is that parents are involved, community members are involved, the private sector is involved, and we do not define their budgets. Many Members of this Legislative Assembly would be familiar with day cares in their communities that are operating successfully, but let's

be clear: we do not currently pay the workers in day cares. We have moved up from some \$25 million that used to be paid in operational allowances to day cares to over \$50 million, last year about \$57 million, that goes out through operations that are provided not through an allowance but through the parents who bring forward their evidence of needing supports for day care, and through their applications dollars are provided in subsidies to those day cares to support those children. I think that the red herring here is that we are underpaying day care workers. We do not pay day care workers as a government. We support children in the best interests of children through their parents, who make application for those day care supports.

2:00

MR. MacDONALD: Mr. Speaker, to the same minister: given that there is more to operating a government department than appearing on TV clutching a teddy bear in front of a corporate jet, when will you table the Clelland report?

MS EVANS: Mr. Speaker, that is not a worthy question, but I will give the response that I work as many as 20 hours a day on behalf of children and would challenge all members in the House, including the hon. member, to do the same thing.

THE SPEAKER: The hon. Member for Little Bow, followed by the hon. Member for Edmonton-Glengarry.

#### **Farm Income Support Programs**

MR. McFARLAND: Thank you, Mr. Speaker. At a time when accrued farm incomes have been reduced in excess of 50 percent over two years, I'd like to ask the Minister of Agriculture, Food and Rural Development why a 30 percent premium discount has been stripped from the grain producers in this province.

MRS. McCLELLAN: Mr. Speaker, the 52.9 percent reduction in accrued income was for the 1999 and 2000 income figures. You could conversely say that in 2001 the net farm income rose by 39.4 percent and crop income rose by 1.8 percent. However, statistics are not the best way to gauge the seriousness or the positives in the agricultural community.

What is important is programs like our safety net program, that the member alludes to. Mr. Speaker, in the year 2000 a 30 percent reduction in premiums was introduced by the crop insurance corporation, or Ag Financial Services. It was done in response to low commodity prices, in response to high input costs, and it was continued in the year 2000 to respond to continued low prices and high input costs. This was a discount offered by the corporation. It was never intended to be there forever but to respond to a situation. I'm pleased to say that although input costs are still somewhat high, they have come down, and commodity prices have increased. Ag Financial Services is no different than any other part of this government. We have to be prudent with our budgeting. We would like to offer this program indefinitely, but this year we're not able to continue a discount.

THE SPEAKER: The hon. member.

MR. McFARLAND: Thank you, Mr. Speaker, and thank you for the answer. In addition to the discontinuance of the 30 percent discount, will this crop year's premiums be going up another 30 percent?

MRS. McCLELLAN: Well, Mr. Speaker, if you do not offer a 30

percent reduction, you will pay an increase of 30 percent because you will pay the 30 percent that was offered as a discount before. However, beyond that, this is a crop insurance program. It is a safety net program. It's a tripartite program supported by the federal and provincial governments and contributed to by the producers. Because commodity prices are higher this year, because you are insuring the value of that commodity, premiums will be higher this year. However, so is your protection, and that is really what this program is in place for.

THE SPEAKER: The hon. member.

MR. McFARLAND: Thank you, Mr. Speaker. Given the premium rate hikes and disappearing discounts, can the minister indicate when the new revenue insurance type program will come into effect for our producers?

MRS. McCLELLAN: Mr. Speaker, we were able to make some changes to our crop insurance program again this year, some improvements, we believe. We've been able to include protein coverage for durum and red spring wheat. We've been able to offer separate levels of coverage for Argentine and Polish canola. There was a lot of work done with farmers, with focus groups throughout the year on a change to the program that would better reflect the cost of production. We were not able in this crop year to introduce those changes. This is a tripartite program. It requires a sign-off from the federal government, the producers, and the province. The province, I believe, agrees with these changes. The producers definitely agree with these changes, but we do not have a sign-off from the federal government at this time.

THE SPEAKER: The hon. Member for Edmonton-Glengarry, followed by the hon. Member for Peace River.

#### **Low-income Review**

MR. BONNER: Thank you, Mr. Speaker. Yesterday the Minister of Human Resources and Employment told us he had received the low-income review initiated nine months ago, in June of last year. The challenges facing people on low income are great. To the minister: when can we expect to see the results of the low-income review?

MR. DUNFORD: Mr. Speaker, we're working on the government response as we speak. While we don't have a particular date currently as to when the reports would be made public, we are just about at the point where we can start moving through the internal process that we have as a government, and then we'll release at some point in time the low-income review MLA report on what they heard. We'll release the report on what they recommended and the government response to that recommendation.

THE SPEAKER: The hon. member.

MR. BONNER: Thank you, Mr. Speaker. To the same minister: has the release of the report been delayed because most of the suggestions involve extra resources that are not considered a priority by the government for the coming budget?

MR. DUNFORD: No, and the hon. member knows us better than that. He knows that we approach the situation with care and compassion for those Albertans who need our assistance. What we're trying to do, of course, is make sure that we bring forward a plan that will provide for the needs of individuals that we have in

Alberta. After all, I remind the hon. member that unlike any other jurisdiction in Canada we are prepared to measure up in terms of our performance, and of course our ability to provide needs to Albertans who need assistance is one of those measurements.

THE SPEAKER: The hon. member.

MR. BONNER: Thank you, Mr. Speaker. To the same minister: when this report is tabled in the Legislature, will the report contain the actual comments from participants and the full recommendations of the committee, or will we receive the sanitized, edited version?

MR. DUNFORD: Well, Mr. Speaker, the member is not very continent; is he? I can assure the hon. member – and of course we go back many, many years; we've had many, many discussions; he has learned that he can trust me – and I'll tell him again that the reports we received from the low-income review team and their recommendations will be submitted to the public just as we receive them.

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

#### **Softwood Lumber Trade Dispute**

MR. FRIEDEL: Thank you, Mr. Speaker. This question is to the Minister of International and Intergovernmental Relations. Recently some media reports have suggested that the softwood lumber dispute with the United States was close to being resolved. However, other reports would indicate that there are still many unresolved issues and the dispute is far from being settled. The lumber industry is hurting because of the dispute, and inaccurate information certainly doesn't help anyone. I wonder if the minister could clarify the issue for us by advising what stage the negotiations really are at.

2:10

MR. JONSON: Mr. Speaker, we are very much aware that these negotiations are extremely important to the industry in Alberta and to the communities across particularly northern Alberta that depend upon this industry and contribute to it.

Mr. Speaker, negotiations are continuing. Last week there was another very detailed and intensive round of discussions with United States officials and our officials and those, of course, from other provinces, and it also involves of course the federal government. Both the United States and Canada agreed, I think, that certainly it's in the best interests of both countries and the industries involved to continue towards a policy-based decision rather than going, as could be a possibility, back to the World Trade Organization or to a legal challenge through NAFTA.

We feel that at this point in time progress is still being made. A greater understanding of the characteristics of the Canadian industry is being achieved, and we have meetings scheduled again next week, Mr. Speaker, to make further progress towards what we hope will be a conclusion in a constructive way for Canada and for Alberta of this very, very difficult trade matter.

THE SPEAKER: The hon. member.

MR. FRIEDEL: Thank you, Mr. Speaker. To the same minister: realizing that Alberta is a relatively small player in the lumber industry compared to B.C. and Quebec, could the minister tell us what steps are being taken to protect the interests of Alberta exporters in these discussions?

MR. JONSON: Mr. Speaker, ever since we started into these negotiations with the United States, we have worked very closely with other provinces and with the federal government. The hon. Minister Pettigrew has co-ordinated meetings of the ministers in this regard. Also, a very important factor in this is that we have in Alberta the Alberta Forest Products Association, and this has established the softwood lumber trade council, that meets on a regular basis for their provincial officials, the most recent meeting being held on March 4, 2002.

Industry representatives, Mr. Speaker, accompany our officials, accompany the delegations that we have involved in this round of negotiations, and they are there so that they can receive immediate feedback from the negotiation, the discussion table, and report back as people involved in the industry to the people back home in Alberta as to what is happening. They also, of course, are a route for people in the industry to make suggestions, to be part of a continuous process of the overall negotiations.

So we are certainly doing our very best to keep the industry informed, not just those that are directly involved in the industry but also the people that represent the communities of northern Alberta.

THE SPEAKER: The hon. member.

MR. FRIEDEL: Yes, Mr. Speaker. My third question was going to be regarding the amount of information that went to the industry players. I think the minister did answer that in the second question to some extent, but I wonder maybe if the Minister of Sustainable Resource Development would want to add to that, because he also works extremely closely with the industry in Alberta.

THE SPEAKER: Very quickly.

MR. CARDINAL: Yes, Mr. Speaker. It's very important. Alberta may be, you know, a small player in the overall picture of the exports to the U.S., but as far as the impact on the industry in Alberta it is great. Over 50 communities depend on forestry as their major source of revenue and income. Over 50,000 people are employed in that industry. So it is important because I think all of our constituents are impacted in one form or another in the industry, and definitely the industry has been involved.

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

#### **Gas Flaring Study**

MS CARLSON: Thank you, Mr. Speaker. Members of the western interprovincial scientific study which has been established to answer questions about the impact of flaring and fugitive emissions have described Alberta Health's progress on the human health component of this project as "lagging more than is liked." My questions today are to the Minister of Health and Wellness. How far behind is this department lagging in its contribution to this study?

MR. MAR: Mr. Speaker, I'll be happy to take that question under advisement.

MS CARLSON: Well, Mr. Speaker, there's a lot of money that was dedicated to this project, and that's our next question. What does the minister have to show Albertans for the money that his department committed to this project in the most recent plan? You got permission from the Minister of Finance for two years of financing. Where is the money?

MR. MAR: Mr. Speaker, I'll take that question under advisement.

MS CARLSON: Mr. Speaker, how could it be that the minister doesn't know about a study that has money dedicated to it in his own department studying human health effects of gas flaring in this province, a very important issue to Albertans?

MR. MAR: I didn't hear a question in that, Mr. Speaker.

THE SPEAKER: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Drayton Valley-Calmar.

### Private Surgical Facilities

DR. PANNU: Thank you, Mr. Speaker. Earlier this week the Minister of Health and Wellness tabled a document purporting to set out requirements for companies wanting to open private, for-profit hospitals in Alberta. The minister has set up a cozy little scheme with little or no input where he gets to make a decision behind closed doors while relying on information provided from those who hope to benefit and profit from opening such a facility. My question to the minister: in light of the fact that the opening of private, for-profit hospitals will have major implications for future public health care delivery in this province, how can the government justify completely freezing the public, including health providers and patients, out of the approval process?

MR. MAR: Oh, Mr. Speaker, I've been waiting for this one. The characterization by the hon. leader of the third party of these things as being private hospitals is completely, patently false. The College of Physicians and Surgeons has accredited the Health Resource Centre's Calgary facility to perform certain overnight procedures, but it is clear from the Health Care Protection Act that they cannot operate a hospital.

Let me also suggest, Mr. Speaker, that the hon. leader of the third party has made an incorrect characterization of what we are doing versus what we are not doing. What we are not doing is we are not setting up a for-profit, parallel health care system. We are not doing that. What we are doing is this, and I hope that the hon. leader of the third party can understand this particular portion of what we are doing. We are allowing private providers of service to provide services to the public system, and this is an issue that arose when the Premier and I were at the Premier's Conference.

One of the Premiers of a province in Canada said that there's no room for for-profit, private providers within the public single-payer system. Another Premier commented on this. He said: "If you are ill and you go into a facility and your only requirement for accessing that facility is the production of a health care insurance card, then here are the questions you're going to ask. Does this place have the people and the equipment to diagnose my condition and treat me so that I get better? You're not going to ask: what's the internal rate of return of this place? What's the corporate structure? Who owns it?" The fact is that what we are talking about is private providers of service within a publicly paid for, single-payer system.

2:20

THE SPEAKER: The hon. member.

DR. PANNU: Thank you. The minister's attempt to deny the reality will not change the reality.

My question to the minister: why is the minister refusing to give the public a say in the approval of what are private, for-profit hospitals in everything but name?

MR. KLEIN: Mr. Speaker, I'm sorry. It's all right; I'll let the hon. minister supplement my answer. But as the hon. minister pointed out, there is no such thing as a private, for-profit hospital.

Mr. Speaker, I used to have right in the front of my binder – but I was prevented from using it – a little card that I used to flash. It was the Alberta health care card, and I used to say: the only card you need to access medical services in this province is your Alberta health care card.

That's what the minister was saying, that yes, certainly private operators can contract to regional health authorities to provide services; there is nothing wrong with that. As the minister said, a patient doesn't examine the corporate structure of a doctor's office or a clinic. He wants to know if he or she is going to be cured. That's what is fundamental and important to this question, Mr. Speaker.

THE SPEAKER: The hon. member.

DR. PANNU: Thank you, Mr. Speaker. My final question to the Minister of Health and Wellness: will the minister assure this House that he will not approve any application for an overnight surgical facility, which is another name for a hospital, a for-profit hospital, that has any level of foreign ownership whatsoever since this could expose Alberta's health system to a NAFTA challenge?

THE SPEAKER: The hon. minister.

MR. MAR: Thank you, Mr. Speaker. I wish to make it perfectly clear yet one more time on this occasion: we will not have private, for-profit hospitals in this province. But the College of Physicians and Surgeons has determined that there are certain procedures that are currently done in our public hospitals – publicly owned, publicly funded hospitals – that can be done safely in a private surgical facility that may require an overnight stay. The issue of what can safely be done within a private surgical facility has been satisfied by the tests set out by the College of Physicians and Surgeons. It then remains incumbent upon the Minister of Health and Wellness for the province of Alberta to determine whether the contracting of certain types of procedures to such facilities can be done without impairing the public health care system. We will assure Albertans that we will do that.

THE SPEAKER: The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-Centre.

### Electricity Rates

REV. ABBOTT: Thank you, Mr. Speaker. My question is for the hon. Minister of Energy. As the minister knows, I have had numerous calls and meetings with angry farmers and acreage owners in my constituency showing me their recent power bills. I've discovered that rural customers served by EPCOR and Utilicorp are being charged rate riders from 2000 and 2001, making their rates the highest in the province. How can these companies back-charge for two years and at a higher rate than any other company?

THE SPEAKER: The hon. minister.

MR. SMITH: Thanks very much, Mr. Speaker. The ability for EPCOR, in this case, and Utilicorp to charge a deferral rate is set out in the Electric Utilities Act. In fact, the charges accrue from the price that the power companies bought power for in the year 2000 and from the price they paid for power in 2001. In 2000 under the

regulated rate model they were, as they were in previous years, entitled to charge for the difference in what they paid for the power and what they sold the power for. This occurred in 2001, as well, from the regulated rate option, which was set at 11 cents.

The interesting part if you look across Alberta, Mr. Speaker, is that EPCOR and Utilicorp in this particular area have the highest deferral account rate for the year 2001 and I believe the year 2000. In fact, ATCO in their service area has no deferral rates, no rate riders for the price of power. They do have a small deferral account for another side. The second-least increase belongs to Enmax out of Calgary.

So what the utility companies are doing, Mr. Speaker, is charging correctly for power that was purchased in the year 2000 under the regulated rate model and then agreed to in the year 2001 in consultation with consumer groups on a process on how to collect that money. These fees will dissipate in 2003, after two years. A deferral account or a rate rider is not a new procedure under this new competitive market model. It took place before in the form of a regulated rate model.

THE SPEAKER: The hon. member.

REV. ABBOTT: Thank you, Mr. Speaker. My first supplemental is for the same minister. My constituents have also noticed their consumption rates for January are higher than experienced for similar time frames in the past years. Why?

MR. SMITH: Well, Mr. Speaker, there are some issues about load settlement, and there's a load settlement committee whose job is to reconcile the actual use of electricity. This can get fairly complicated if you're in a rural electrification association, because those, in effect, are a bulk purchase and then they're rolled up annually, so there's an accounting issue.

Secondly, active meter reading is important. There's an absolute horror story out in the newspaper about a meter-reading error that occurred with EPCOR, Mr. Speaker, that in fact resulted in the people leaving their house.

Now, I know members of the governing party are interested in every constituent, and although we hear the byplay from the opposition, it probably indicates a lesser degree of compassion for their constituents.

REV. ABBOTT: That's exactly right. Thank you.

Mr. Speaker, my final supplemental is again for the Minister of Energy. There is a large amount of previously regulated generation that wasn't sold in the past electricity auctions, and these PPAs are slated for sale this year. Will the minister guarantee that any funds raised in this upcoming auction will be used to offset these rate riders?

MR. SMITH: Well, Mr. Speaker, one of the great things about what's happening now in the marketplace without the government prescribing any regulated rate options is there will be no rate riders in the future, so that's a good thing.

Secondly, Mr. Speaker, those who have signed contracts with utilities will also not be subject to deferral rate charges or rate riders because they are contracted for the actual price that they're paying now. So, in fact, the new competitive market model works strongly on their behalf.

With respect to the balancing pool, we don't know. No one knows with certainty, Mr. Speaker, what proceeds or, in fact, possible negative proceeds could be accruing from that auction. What we do know is that we will be committed to exit any power

that is held by the Balancing Pool inappropriately to the hands of the private sector as diligently and as expeditiously as possible.

2:30

head: **Recognitions**

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

#### **University of Alberta Pandas Hockey Team and Golden Bears Volleyball Team**

MR. HUTTON: Thank you, Mr. Speaker. I am very pleased to recognize the outstanding athletes of our University of Alberta. It was a stellar occasion last weekend as the Pandas hockey team and the Golden Bears volleyball team both captured 2002 national titles in their respective sports. It was all the more exceptional as our U of A captured its third and fourth Canadian Interuniversity Sport titles of the year. It takes great skill and dedication to win championships, and the Pandas demonstrated this with abundance in Regina by winning their second title in three years.

The players and coaching staff are a part of a rich tradition of athletic excellence at our U of A, and these achievements build on our university's national reputation for good sportsmanship and athletic excellence. I join the Minister of Community Development and all members of the Assembly in extending congratulations and best wishes to both U of A teams on their latest successes.

THE SPEAKER: The hon. Member for West Yellowhead.

#### **Norman Rodseth**

MR. STRANG: Thank you very much, Mr. Speaker. It gives me great pleasure to rise today and recognize the outstanding achievement of one of West Yellowhead's constituents, Norman Rodseth. Norman's service to Alberta has been exemplary. For many years until his retirement in 1992 Norm worked for the Alberta forest service and served as vice-president of the Alberta Council of Trout Unlimited. Through his long career Norm undertook many projects and initiatives, all designed to improve Alberta's environment and the condition of her wildlife. The commitment remains today.

Norm is a conservation education program instructor, and in addition to that he teaches fly-tying, fly-fishing, and building rods. On March 1 Norm's accomplishments and his commitment to Alberta were recognized through the Alberta Order of the Bighorn. This award was created in 1982 by the government to recognize the outstanding contribution of fish and wildlife conservation made by private individuals, organizations, and corporations. I would ask that all members join me in congratulating Norm for this tremendous achievement and in wishing him continued success.

Thank you, Mr. Speaker.

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

#### **Bill Bouchard Memorial Hockey Tournament**

MR. BONNER: Thank you very much, Mr. Speaker. Earlier today I had the honour of introducing to you and to all members of the Assembly Marj Bouchard and her son Bill. For the past 27 years she's organized and run the Bill Bouchard memorial hockey tournament in memory of her late husband. Marj hosts her hockey tournament for peewee-aged players at Rosslyn Community League. It is one of the few tournaments which continues to be played outdoors. Some participants are quite disappointed when they learn they'll be playing outside. Yet when asked at the end of the season what was their highlight, they reply: playing in Marj's tournament.



Marj receives a great deal of support and help from her sons Bill and Paul and a host of volunteers who fill the many required positions.

Notable participants in her tournament over the years are Hnat Domenchelli, who plays with the Minnesota Wild of the NHL; game officials Lance Roberts, who refereed at the Calgary Olympics and in the NHL, Greg Hilker, a linesman at the Calgary Olympics, and Kevin Acheson, a referee at the Salt Lake City Olympics.

Marj, thank you for the many years you've dedicated to minor hockey here in Edmonton.

Thank you.

THE SPEAKER: The hon. Member for Red Deer-North.

**Stan Schalk  
Peter Leyen  
George Berry**

MRS. JABLONSKI: Mr. Speaker, thank you. If you had to live in a half-ton truck for two months or in a tent in minus 20 weather, how would you feel about three men who decided to build you a home? One handicapped resident is so grateful that she can't say thank you enough. Stan Schalk and his partner Peter Leyen of P & S Investments teamed up with Red Deer architect George Berry to create affordable transitional housing. The unique thing about this partnership is that they don't do it for money. They do it out of a sense of duty and out of a sense of love. Through the creative skills of George and the construction skills of Stan and Pete two affordable housing projects, one with 14 units and one with 22 units, are now housing people who would not have had a home to hang their hats without the efforts of these three men. George, Pete, and Stan worked with funding from the provincial and federal governments along with their own funds to build beautiful suites with oak cabinets, ceramic tile, new appliances, and oak trim. Beating all the odds, George, Stan, and Peter proved that where there is a will, there is a way. Indeed, they found a way to do His will, and all of Red Deer is truly grateful.

Thank you, George, Stan, and Pete, for proving that Red Deer is a caring community. Thank you to these three champions who have earned more than an Olympic medal; you have earned stars in Heaven.

THE SPEAKER: The hon. Member for Redwater.

#### **Order of the Bighorn Awards**

MR. BRODA: Thank you, Mr. Speaker. I would like to recognize Dave Powell of Lacombe, Murray Mackay of Ponoka, Norm Rodseth of Edson, Calgary's Bill Turnbull, Edgar T. Jones and his wife, Jeanne, of Edmonton, and Andy Russell of Waterton Park, and the Bow River irrigation district. These individuals and corporations were inducted into the Alberta Order of the Bighorn, which the government of Alberta established in 1982. Members of the order of the bighorn have enriched the lives of many Albertans through their outstanding contribution to the conservation of Alberta's world-renowned fish and wildlife resources.

I would like to congratulate the runners-up of the order of the bighorn and to recognize the corporate sponsors and the excellent presentation made by our own Minister of Sustainable Resource Development at the award presentation on Friday, March 1, 2002.

Thank you, Mr. Speaker.

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

#### **Linda Bull**

DR. PANNU: Thank you, Mr. Speaker. On March 8, 1908, women workers in New York took to the streets to protest dangerous working conditions and low wages. Ninety-one years later women continue to come together on or around March 8 to celebrate past victories, identify new challenges, and plan needed actions. Today I would like to recognize a woman of action whose passion for peace, justice, and empowerment of oppressed people is inspirational: Linda Bull. Ms Bull received her BEd and an MEd from the University of Alberta, from my former department, and is now completing a doctoral degree on peace and nonviolence.

Her work has taken her across five continents, delivering a message of empowerment and peace and challenging those in leadership roles to be advocates for peace and justice. She is the 2001 recipient of a scholarship from the Mahatma Gandhi Canadian Foundation for World Peace, and she is a guest speaker at the 2002 International Women's Day program planned for this Saturday, March 9, in City Hall. I encourage all of my colleagues to try and attend that function.

Thank you, Mr. Speaker.

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

#### **Jean Fraser**

MS KRYCZKA: Thank you, Mr. Speaker. I'm very proud to recognize Barbara Jean Fraser in this Assembly today. Jean is a constituent in Calgary-West who was recently honoured by appointment as a member of the Order of Canada. Since the 1970s Jean has been a very strong influence in education in Calgary. She was a trustee and then chairman of the Calgary board of education and a member of the senate of the University of Calgary, where she was chairman of the external relations committee and the chancellor's search committee, to name a few. Jean was also a member and then chairman of the Mount Royal College board of governors and was again a member of many governance committees. Since 1978 Jean's exemplary leadership has also been an influence on the Calgary board of health and the Calgary regional health authority. Her skill in governance has benefited many committees such as quality care, policies and finance, and corporate accountability.

Mr. Speaker, Jean Fraser's compassion and exceptional leadership abilities have inspired others to actions which have brought about changes in health care, education, and social services. Congratulations, Jean, on your appointment.

Thank you.

#### **head: Presenting Petitions**

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

DR. PANNU: Thank you, Mr. Speaker. I'm pleased to rise and present a petition signed by 115 Edmontonians. These Albertans are petitioning the Legislative Assembly "to urge the government to not delist services, raise health care premiums, introduce user fees or further privatize health care."

Thank you, Mr. Speaker.

#### **head: Introduction of Bills**

THE SPEAKER: The hon. Minister of Learning.

#### **Bill 6 Student Financial Assistance Act**

DR. OBERG: Thank you very much, Mr. Speaker. I request leave

to introduce Bill 6, the Student Financial Assistance Act. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to this Assembly.

[Motion carried; Bill 6 read a first time]

THE SPEAKER: The hon. Minister of Environment.

2:40

**Bill 13**  
**Administrative Penalties and Related Matters**  
**Statutes Amendment Act, 2002**

DR. TAYLOR: Yes. Mr. Speaker, I'm pleased to introduce Bill 13, the Administrative Penalties and Related Matters Statutes Amendment Act, 2002.

Simply put, Mr. Speaker, this bill in fact amends five acts that are administered either by Environment or Sustainable Resource Development and makes administrative penalties common across the five acts.

[Motion carried; Bill 13 read a first time]

THE SPEAKER: The hon. Minister of Gaming.

**Bill 14**  
**Gaming and Liquor Amendment Act, 2002**

MR. STEVENS: Thank you very much, Mr. Speaker. I'm pleased to rise today and introduce Bill 14, the Gaming and Liquor Amendment Act, 2002. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

Mr. Speaker, Bill 14 will strengthen the Alberta Gaming and Liquor Commission's ability to maintain the integrity of gaming and liquor activities in Alberta as part of our commitment to Albertans that the gaming industry will be well regulated and managed in a socially responsible manner.

[Motion carried; Bill 14 read a first time]

**Bill 15**  
**Dairy Industry Omnibus Act, 2002**

MRS. McCLELLAN: Mr. Speaker, I request leave to introduce Bill 15, being the Dairy Industry Omnibus Act, 2002. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

Mr. Speaker, this bill will move the governance of dairy production and marketing from the provincial government to Alberta's dairy producers. It will remove the provincial government's responsibility for licences, quotas, milk hauling, and payment systems, and it will allow for a producer-elected commodity board.

[Motion carried; Bill 15 read a first time]

THE SPEAKER: The hon. Minister of Gaming.

**Bill 16**  
**Racing Corporation Amendment Act, 2002**

MR. STEVENS: Thank you, Mr. Speaker. I request leave to introduce Bill 16, the Racing Corporation Amendment Act, 2002.

Mr. Speaker, horse racing has a long and colourful history in Alberta. Bill 16 is intended to assist the industry and Alberta's agricultural community in their efforts to revitalize this proud tradition. Industry representatives have requested changes to the current governance structure of the industry as well as a new name, Horse Racing Alberta, to mark this milestone. The proposed amendments will improve accountability of the industry to the government by requiring the annual submission of multiyear business plans and performance measurements. These changes are a result of the government responding to and consulting with all industry stakeholders.

[Motion carried; Bill 16 read a first time]

**head: Tabling Returns and Reports**

THE SPEAKER: The hon. Minister of Community Development.

MR. ZWOZDESKY: Thank you. Mr. Speaker, I have two tablings, which are official letters of congratulations that I have sent on behalf of our government to congratulate the University of Alberta Pandas hockey team on winning their second CIS women's hockey championship last weekend and also to the University of Alberta Golden Bears on winning the 2002 CIS men's volleyball championship last weekend. It's very important to note that for our U of A this marks the fourth CIS title of the year. That's an amazing accomplishment, as alluded to by our colleague from Edmonton-Glenora, and I know we will all want to reiterate our sincere thanks to the fine players, coaches, and trainers in that regard.

Thank you.

THE SPEAKER: The hon. Minister of Municipal Affairs.

MR. BOUTILIER: Thank you very much, Mr. Speaker. It's my pleasure today, as I promised and committed to in question period yesterday, to table, first, a letter dated February 19 from the city to the province referencing a unanimous motion passed by city council stating that "City Council is fundamentally opposed to the removal of our authority to make decisions regarding land use."

The second tabling today is a copy of a letter dated March 5 to the city from Municipal Affairs, and the letter is in response to a request by the city manager asking the province to step in regarding the solving of land use between the city of Edmonton and Catholic schools.

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

MRS. O'NEILL: Thank you, Mr. Speaker. I request to table with the Assembly a petition statement sent to me by a constituent, Anika Ursuliak, regarding the War Amps Drivesafe initiatives.

THE SPEAKER: The hon. Member for Highwood.

MR. TANNAS: Thank you, Mr. Speaker. With your permission I'd like to table five copies of a letter from Mr. David Cross of Okotoks, who is a constituent of Highwood, requesting that the Bighorn wildlife recreation area be designated a wildland park.

Thank you.

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

MR. MASON: Thank you very much, Mr. Speaker. I have two tablings today. My first tabling is the Seniors Action and Liaison Team submission to the Romanow commission.

The second tabling is their analysis of the report of the Premier's Advisory Council on Health, the Mazankowski report, and I would provide the necessary number of copies.

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

MR. MacDONALD: Thank you very much, Mr. Speaker. I have one tabling this afternoon. It's an e-mail from the Deputy Minister of Learning to various school superintendents across the province. Thank you.

THE SPEAKER: On a point of order the hon. Member for Edmonton-Highlands.

**Point of Order  
Tabling a Cited Document**

MR. MASON: Mr. Speaker, I intended to raise a point of order pursuant to *Beauchesne* 495 respecting the tabling of documents referred to by a minister, but as the minister has now tabled those reports and courteously provided me with a copy, the point is moot.

head: **Orders of the Day**

head: **Government Bills and Orders  
Second Reading**

**Bill 10  
Public Works Amendment Act, 2002**

THE SPEAKER: The hon. Member for Vermilion-Lloydminster.

MR. SNELGROVE: Thank you, Mr. Speaker. It's my pleasure to move second reading of Bill 10, the Public Works Amendment Act, 2002.

It really is an honour for me to bring forward a piece of legislation that actually removes duplication and redundant legislation. I think it's a trend whose time has come. Although public works are not the most dynamic type of bill to bring forward, I think it's very important that this Assembly recognize that if it were not for our public works and our infrastructure, the economy that provides the wealth to fund many of the other bills we deal with would not be there. So I think that when we can help this industry streamline and eliminate paperwork, we're certainly on the right step.

[The Deputy Speaker in the chair]

Now, everyone has been delivered a copy of Bill 10, and I'll run through it briefly, Mr. Speaker, and comment on some of the major changes, and I'll certainly look forward to the discussion in committee.

Before I go through the bill, Mr. Speaker, I'd like to take the opportunity to thank all the stakeholders for their input during the developments and the amendments you see before you today in the bill, particularly the Alberta Construction Association, the Alberta Roadbuilders and Heavy Construction Association, the Surety Association of Canada, the Canadian Federation of Independent Business, and many others who all provided very valuable comments and were of great assistance to us in the department. We're sincerely grateful for their support.

The original Public Works Act dates back to 1922 and hasn't been significantly updated since the 1970s. Since then there have been significant developments in contract and tendering law and business practices that have made many parts of the act unnecessary or unworkable.

The amendments to the act which are proposed in this bill result from the recommendations of two groups that were given the task of reviewing the legislation over the last few years: an industry/government working group and the Premier's Task Force on Construction Contracts. As I've already mentioned, stakeholder input and consultation were also key.

Going quickly through the bill, Mr. Speaker, you'll see first that the definitions of the act are clarified and updated. As government departments are restructured and streamlined over the years, it makes sense to replace department names in legislation with more generic references so we don't have to keep updating them.

The repeal of section 2(2) recognizes that under contract law principles, a binding contract is created when a tender is accepted and that the subsequent signing of the contract is only a formality. Similarly, the change to section 7 reduces the potential for conflict between the act and established contract law.

2:50

The new section 8 allows the government to award a contract to someone other than the lowest bidder without the present requirement of an order in council. Dating back many decades, the requirement for an order in council was first included to ensure government accountability. However, since then various court decisions have established contract law principles of fairness, good faith, past performance of the contractor, and so on, which allow contracts to be awarded to someone other than the lowest bidder. The government has been and will continue to follow these contract law principles. Also, other public-sector agencies such as municipalities, school boards, and regional health authorities are not required to obtain orders in council under these circumstances. So this amendment will make the government consistent with other private-sector owners. Just for clarity, Mr. Speaker, this is not changing how a contract is tendered or how it is awarded. It is simply the follow-up paper trail to it.

Changes to section 9 now reflect current tendering law in Canada and are consistent with a standard form of bid bond commonly used in the industry.

Sections 10 and 12(2) and (3) are no longer needed as these requirements are now commonly specified in contracts.

The effect of repealing section 13 is to delete unnecessary definitions and to extend protection under the act to all levels of subcontractors. Quite honestly, Mr. Speaker, it really doesn't matter what you want to call someone who's provided a good or service to a job. They should be paid regardless of what a bond company or a contractor puts them as to what level of subcontractor. So by eliminating the term "subcontractor," we've provided that protection from top to bottom.

One of the things we heard very clearly from our stakeholders, Mr. Speaker, was that the differences and inconsistencies between the Public Works Act and the Builders' Lien Act are confusing and unfair to contractors. A significant change in section 14 provides greater consistency between the two acts by extending the period for a claim arising from a contract, other than for a highway or road, from 35 to 45 days. Similarly, the following section ensures that the process for paying money into court under this act parallels the commonly understood process under the Builders' Lien Act. The claim period for highway and road contracts remains at 90 days due to the nature of the heavy construction involved and the way the payment is calculated under these contracts. This, too, mirrors the 90-day claim period for the oil and gas service sector under the Builders' Lien Act, and it's what the industry wanted.

Changes to section 17 ensure that subcontractors and suppliers can get the information they need should they wish to file a claim for nonpayment.

Finally, while some outdated offences in section 18 are repealed, the maximum fine for offences under section 33 is updated to \$1,000.

Bill 10 will assist contractors who build the infrastructure that is so important for Alberta's economy, Mr. Speaker. I urge all members of this Legislature to give this bill their full support. Thank you.

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

MR. BONNER: Thank you very much, Mr. Speaker. It is a pleasure to rise today to speak to Bill 10, the Public Works Amendment Act, and I would like to thank the hon. Member for Vermilion-Lloydminster for sponsoring this bill.

Right off the bat I can inform not only the hon. member but all members of this House that this is a welcome bill by our contractors. It is also a bill that will help harmonize different pieces of legislation in this province. I can say that with confidence, Mr. Speaker, in the fact that we have also had extensive consultation with many stakeholders, and for the most part they are in favour of the bill. Of course, we do realize that with any piece of legislation there is a certain degree of compromise that must be taken by all parties, and they certainly expressed their confidence in the fact that for any contentious issues ongoing consultation will take place and that if changes are required, then certainly the work that is yet to be done on this bill will be done.

One of the important parts of this bill is that it will harmonize two different pieces of legislation: the Builders' Lien Act and, of course, this piece of legislation, the Public Works Amendment Act. One of the other strengths of this particular bill, Mr. Speaker, is the fact that it does provide a great deal of clarity and consistency between the pieces of legislation that were missing before. The one question that kept coming up in our consultation was: is the 45-day period enough? We see that perhaps in the future this may have to be extended.

As I was mentioning, it is a very good piece of legislation. We do realize that the tendering process in public works is a complex process, and it is extremely important and incumbent upon us as elected members to protect the taxpayers' money while still giving the government the flexibility it needs to get the job done. So when we do look at the act, Mr. Speaker, there appears to be a number of changes that are welcome that will simplify this whole issue of tendering and the awarding of contracts, and I do look forward to speaking to this bill as we move on through committee and into third reading.

I do note as well, Mr. Speaker, that the hon. member did in fact outline very well the changes that have occurred in contract law principles since the 1980s and the fact that we don't necessarily have to award contracts to the lowest bidder anymore. Other issues and factors that do come into place, of course, are the criteria, which include fairness, good faith, past performance of the contractor, and so on. Particularly in other public-sector agencies such as municipalities, school boards, and regional health authorities these public-sector agencies are not required to obtain an order in council approval if they do not wish to award the contract to the lowest bidder.

So, as I said, Mr. Speaker, we certainly are supporting this piece of legislation, and I would urge all members of the Assembly to support it. Thank you.

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

DR. PANNU: Thank you, Mr. Speaker. I rise to speak on Bill 10, Public Works Amendment Act, 2002, in its second reading. I had a quick look at the bill, and clearly part of the purpose of the bill is to harmonize different pieces of legislation and to simplify and reduce redundancies where they might be. To the extent that it succeeds in doing that, we will certainly be happy to support it.

The bill essentially eliminates the legislated time periods, security requirements, et cetera, from the public works contracts and tenders. It also increases ministerial prerogative in terms of accepting tenders other than the lowest. Since the bill removes legislative restrictions regarding time lines, rules, standards, et cetera, it certainly, I guess, puts these things more at the discretion of the minister. It certainly will give greater room for the minister to draft contracts. It will also be easier for the minister to accept a tender other than the lowest one. Whereas the minister previously needed an order in council to accept a tender other than the lowest, he or she will now be allowed to simply not accept the lowest tender. So it eliminates the need for the ministers to go through the order in council process.

3:00

As a result, the concern I have is that overall the amendments may mean that there'll be less transparency and less predictability, and that's something the contractors may not like, the latter part in particular. Although there will likely be standard contracts with standard terms, developing and breaking these standards will be at the discretion of the minister.

Our concern here – and I will simply register this concern at this point. We will have the opportunity to look at the bill in more detail in committee and, if necessary, be able to amend it. One concern that we do have, Mr. Speaker, with respect to the bill is the removal of the requirement that if the minister is not accepting the lowest tender, he or she must obtain an order in council. I think that was a provision in the previous legislation that needed to be kept. It provides a second check and assures the public and everyone else that everything is done absolutely appropriately and beyond any reason for suspecting that the decisions were made on grounds other than the ones that are in the best public interest.

The general trend, Mr. Speaker, in the legislation is towards removing legislative constraints and making significant policy decisions subject to regulations and ministerial powers and discretion. This bill certainly reflects the same trend, and we certainly have a concern on this one.

So the issues of transparency and matters related to regressive removal of legislative constraints on the decision-making process are the two concerns that we have that we want to register and share with the rest of our colleagues. Hopefully as we go through the various stages of debate on this bill, we should be able to address those concerns and improve the bill.

Thank you, Mr. Speaker.

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

MR. MacDONALD: Thank you, Mr. Speaker. I have at this time a few remarks regarding Bill 10, the Public Works Amendment Act, 2002, as proposed by the hon. Member for Vermilion-Lloydminster. In reviewing this legislation, I see that there has been an extensive consultation process completed, and the member wouldn't have to go too far for the consultation process because of his background in the construction industry. I think the hon. member would have a familiarity with the industry and the contractors involved, and I believe this is reflected in this legislation, because from what I can see, it's noteworthy and it is meant to bring this act in line with

current tendering law and the Builders' Lien Act, which we dealt with in this Assembly last session. As I understand it in reading this, we are going to be given the same deadlines for filing a lien as in the Builders' Lien Act.

However, I do have a few reservations, one in particular at this time, Mr. Speaker, and perhaps other members of the Assembly can discuss this and perhaps shed more light on this specific issue. As I understand it here, the proposal is to eliminate the section requiring an order in council to accept a tender other than the lowest one, and I don't know if that is necessary. I don't know how many times that has been used in the past. Perhaps the hon. member can at some time advise not only myself but other members of the House regarding this: specifically how many times, if any, was this section needed? It obviously was intended to ensure that there was another form of accountability, as described by the hon. Member for Edmonton-Strathcona, but it is something that we cannot forget, particularly when we're dealing with tax dollars.

The majority of the projects certainly would be noteworthy, and they would be necessary to improve not only urban areas but certainly municipalities, rural areas, whether it's roads, whether it's bridges, whether it's public buildings. These are very important to the communities in which they are located, but it's also very important that there is a wise use of tax dollars not only in the construction of these facilities but also in the period leading up to the start of the construction. So accountability is an issue, and I'm curious as to why, if this order in council was seldom used, we would have to eliminate that. Did it take up a lot of cabinet time? I don't know.

Now, Mr. Speaker, I have one more observation, and that is with the proposed legislation and the current Public Works Act and the discussion in here on the levels of subcontractors. Sometimes subcontractors can be left holding the bag, shall we say, and it is unfortunate. Some of them are smaller businesses, they're family-owned businesses, and they can't afford that. I think this is an improvement, and I would like to point that out to the hon. Member for Vermilion-Lloydminster and commend him for the proposed change that would eliminate the specific reference to subcontractor and simply rely on the word "person." Now, that would be, I believe, the repeal of section 13, and we follow through with the notice of claim in section 14(1).

With those comments, Mr. Speaker, I will cede the floor to another hon. member of this House. Thank you.

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

MR. MASON: Thank you very much, Mr. Speaker. I'm pleased to rise to speak to second reading of Bill 10, the Public Works Amendment Act, 2002, and I honestly think that my colleague the hon. Member for Edmonton-Strathcona was far too kind in his comments with respect to this bill. He'd raised a number of concerns, but I think those concerns are very, very serious.

3:10

I just want to preface my remarks by saying that I've had in my experience in municipal government quite a bit of opportunity to deal with issues around the awarding of construction contracts. They can be sometimes quite thorny, but certainly I think that in our system . . . [interjections] You know, we can elaborate as much as necessary to elucidate the hon. members opposite, Mr. Speaker.

In the system used in the city of Edmonton – and I'm sure it's rather different than in the city of Calgary, where they let the commissioners run the whole show – we have an executive commit-

tee system where members of the council on a rotating basis sit with the mayor and senior administration and deal with issues that come up from time to time with respect to a number of issues including the awarding of contracts. If a contractor feels unjustly dealt with, Mr. Speaker, then he or she has an opportunity to come before the committee and challenge the process. So you have an opportunity to find out how some of these things work in some detail.

Sometimes the contractors have a point in terms of ambiguity in the process, and that's the first point I'd like to make, that this bill removes a number of steps and removes a number of checks and balances which would in many cases protect contractors who are often small businesses. Certainly we found a number of times that smaller companies felt they were unfairly dealt with in terms of a process. So if you provide a better framework, a firmer framework for evaluating those and making sure that things are done appropriately and transparently, then that benefits the small business community, who often depend for their livelihood on contracts let by municipalities or, in this case, by the provincial government.

But the broader concern, Mr. Speaker, is the other way, and that is the concern that the process is fair and that it's honest and that contractors are not mistreated without some check and balance. I've seen a number of cases where this has occurred. All of the checks and balances that exist to make sure the tendering process is clear and transparent and fair are taken out by this bill.

Now, sometimes you don't want to accept the lowest tender. If for some reason a company has not performed in the past or you don't think that it has the expertise or the size in order to appropriately deal with the contract, you can sometimes award the contract to someone else. If you think that the contractor is lowballing the bid, then you have a duty to award it to someone else. But there needs to be a check and a balance to make sure that, in fact, something untoward is not happening, and this happens from time to time. The requirement in the present legislation that the minister doesn't have to take the lowest tender but has to justify it to cabinet is a prudent one. I would make the statement and make it advisedly, Mr. Speaker, that corruption is not unknown in the relationship between the construction industry and government. It is not unknown.

I can give some examples from my own experience, Mr. Speaker. In one particular case I had a worker who'd been working on a job come to my office. This job involved a large water main. He came into my office and told me that at a certain point this main had been improperly constructed, with the result that the lining inside the main had spalled off. There's a concrete lining inside a steel pipe the size that a person could walk upright in. This had been reported to the owner of the company. The owner of the company instructed the crew to cover it up and put the dirt over top of the line, and they signed off on this to the city. What would have happened, of course, is that in about 10 years the steel would have rusted through, and there would have been a massive leak underground, with no one understanding what had caused it, and it would have had to be fixed by the taxpayers.

So I took the worker to the city solicitor and the head of our water branch, and I took the worker to the police as well. The result was that the city ordered the line drained, and they did an inspection. Exactly where the worker had said this had occurred, in fact the lining had spalled off the inside of the line. So restitution had to be made by the company, and all of this work was done at the company's expense.

The question arises, Mr. Speaker, that when the expenditure of public money is undertaken in the awarding of contracts, there must be checks and balances and there must be transparency in the process. I'm not making this in reference to anyone presently sitting opposite, but I am making it as a general point. Otherwise, it is an

invitation for corruption to occur. This bill for some reason removes the protection that we have against that sort of thing occurring in our own department.

The other aspect, Mr. Speaker, has to do with the limitation on awarding contracts to companies that owe money for past work. This is a matter that's come up a number of times as well in my previous life, and I'm sure that other people who've had involvement in municipal government would have had similar experiences. There's a dispute over money, yet the contractor with whom the dispute exists wants more contracts and wants more work but doesn't want to settle the issue. One of the strongest levers that you have is simply to not award additional contracts, and this has been taken out as well. I suspect that in the long run, this amendment will cost the provincial government millions of dollars that would otherwise have been recovered without costly litigation.

So I can't support the bill, Mr. Speaker. I think it's dangerous. I think it's going to result in considerably increased costs to the government in the long run, and it has the potential of leading to a very, very bad situation with respect to the awarding of contracts in our province for construction of highways or whatever. It's not prudent, it's not thoughtful, and it gives the minister far too much power.

So I would urge hon. members to consider whether or not all of the clauses of this bill merit the approval of this Legislative Assembly, and hopefully the government may consider what steps they might take at committee stage in order to mitigate the damage which I believe this bill is going to cause to the administration of multimillion dollar budgets and infrastructure programs in this province.

Thank you, Mr. Speaker.

3:20

THE DEPUTY SPEAKER: First question. The hon. Member for Edmonton-Rutherford.

MR. McCLELLAND: Thank you, Mr. Speaker. During the Member for Edmonton-Highlands' comments he referred to a specific construction company that didn't undertake its responsibilities and was subsequently sued. I don't doubt the veracity of what had happened, but I'm wondering if the Member for Edmonton-Highlands would identify the company involved so as not to cast aspersions on the reputation of other businesses that may do business with the city.

Thank you, Mr. Speaker.

MR. MASON: I'll take that question under advisement, Mr. Speaker. If I get advice that it's a prudent thing to do, then I would be pleased to stand in this place and tell the entire House the name of the company.

AN HON. MEMBER: Why raise it in the first place then, Brian, and cast aspersions?

MR. MASON: Because he wanted an example.

THE DEPUTY SPEAKER: If there are no further questions, the hon. Member for Vermilion-Lloydminster to close debate.

MR. SNELGROVE: Thank you, Mr. Speaker. I want to thank the hon. members for some suggestions. I will try and find out how often it has been necessary to get an order in council. That's a valid point.

I think the critical part of that debate is that it's not going to change the way it's done now. It's simply going to change the fact

that we have to go get the Lieutenant Governor to sign the bill. The minister will still have the right to determine whether the contract is accepted or whether a contract that's provided is accepted, so it's not a case of changing the process.

I think it's very important to recognize in this that the individual responsibility for that contract now is going with the contract. Anyone who has been in the contracting business, particularly if you've been contracting with the government, will know that you get a package about this thick. The very first part of that package would be half a dozen, maybe 10 or 12, pages that are the actual tender documents themselves. Then you will have, if the book is an inch and a half thick, an inch and a quarter of general contract conditions. At the end of most contracts you will have the specific conditions which will relate to that contract. So we routinely provide one and a half inches of a two-inch book for conditions that probably do not apply, and in those conditions may be clauses still that are different from the tendering contract, from contract law. So it's important that we address each contract on its individual requirements: for bonding, for the protection of — we don't want to use the term subcontractors, because I believe all people that provide goods or materials to a job should be covered at whatever level. It's important that that tender recognize the individuality of that contract.

I think that when the hon. members have a chance to look maybe a little more carefully through the bill, they will see that what we're doing is eliminating the duplication of many of the requirements. It's not eliminating them; it's making them specific to the contract you're dealing with.

I can tell you that in the contracting business — and I appreciate that the hon. opposition member is aware that I've operated in the construction business over 25 years — the contracts never got simpler. Many, many times it's not only to the benefit of the government; it is to the benefit of the contractor to, one, have plain language and, two, have that contract specifically say if they can withdraw their tender, the amount of security required to bid or to perform the job, individually marked in that particular tender.

So I take the concerns of the opposition members. I certainly hope it wasn't my company that put in the line that the hon. member talked about, because that would be just recently off warranty, I'm sure. However, Mr. Speaker, I appreciate their concerns. We'll discuss it more fully in committee, and I will try and get the answers the hon. member mentioned.

I move that we vote. Thank you.

[Motion carried; Bill 10 read a second time]

## Bill 7

### Agriculture Financial Services Amendment Act, 2002

THE DEPUTY SPEAKER: The hon. Member for Leduc.

MR. KLAPSTEIN: Thank you, Mr. Speaker. I'm very pleased to move second reading of the Agriculture Financial Services Amendment Act, 2002, and in doing so would like to outline for this Assembly the details of proposed amendments to the Agriculture Financial Services Act.

First a little history. In December of last year the Minister of Agriculture, Food and Rural Development announced our government's intention to merge the operations of the Agriculture Financial Services Corporation and the Alberta Opportunity Company. Since that time both organizations have been working together to ensure a smooth transition on behalf of the small business and agri-industry clients that they serve. Both AFSC and AOC are strong organizations with dedicated staff and proud histories. By reducing adminis-

tration and combining the business strength of both organizations, we are looking to enhance delivery of one-window, made-in-Alberta financial solutions.

AFSC, as members may know, serves Alberta agri-industry through 50 offices throughout the province as business centres for insurance, income protection, farm lending, and commercial financing. AOC serves Alberta's small business sector through 10 offices, providing financing to viable small businesses when it is unavailable from conventional sources. AOC's reach will be significantly increased through its merger with AFSC. That, I believe, can only strengthen the services it has delivered and will continue to deliver. The amendments we are proposing give AFSC expanded responsibility for the business assets, obligations, and opportunities of AOC. Modifications to the act also include several changes that will provide AFSC with more flexibility in the delivery of effective and efficient financial products and services to Albertans.

The merged company will operate under the name Agriculture Financial Services Corporation. The previous two boards will be merged into one board. In order to ensure a smooth transition, directors have been appointed to serve concurrently on both AFSC and AOC boards until this legislation takes effect. The appropriate sections from the Alberta Opportunity Fund Act are being incorporated into the AFSC act to allow the business of lending and financial assistance presently conducted by AOC to carry on as part of AFSC. Once this amendment is proclaimed, the Alberta Opportunity Fund Act will be repealed.

As well, we are proposing several changes relative to AFSC's involvement in providing crop insurance. If these amendments are passed, AFSC will be able to offer, should government deem it necessary, a price support program that relates to market prices or input costs. What this means is that AFSC will have more ability to respond to the needs of agricultural producers.

Amendments will give AFSC more flexibility to deal with misrepresentations by their clients. Currently AFSC can cancel a contract of insurance for only one year when a misrepresentation occurs. AFSC wants and, I suggest, needs the ability to cancel a contract for a longer period of time, depending on the severity of the misrepresentation.

Amendments will clarify wording related to deadlines for farmers making crop insurance claims. We also propose to reinstate a clause from the former Hail and Crop Insurance Act which was omitted in the merger that created AFSC. This clause deals with the farmer's exemption under the Civil Enforcement Act. Other proposed changes will allow for retroactive regulations to be passed to deal with an agriculture disaster or an emergency situation.

Members will also note that this act will change the individual lending limit from \$1 million to \$2 million. It is apparent that the \$1 million lending limit, which has been in effect for some years, needs to be changed. The size of projects being financed has grown substantially. We know that the costs of land, buildings, and equipment have been the major factors. This \$2 million limit will enable AFSC to deal with some projects that in the past they have been unable to accommodate. The act will allow AFSC to act as a ceding insurer; in other words, be an intermediary through which reinsurance could be offered to other government departments to ensure that fluctuating costs due to unforeseen disasters are not a strain on budgets.

3:30

Mr. Speaker, that highlights the changes we are proposing. We are looking forward to the results of this merger between two outstanding organizations. Small business and the agriculture

industry are strong contributors to the Alberta economy, especially in rural Alberta. We'll continue to invest in our entrepreneurial spirit by providing meaningful and unique financial services that aren't readily available from the marketplace.

Thank you.

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

MR. MacDONALD: Thank you very much, Mr. Speaker. It's a pleasure to rise this afternoon and discuss Bill 7, the Agriculture Financial Services Amendment Act.

I notice with a great deal of interest anytime the Alberta Opportunity Company, which was established in 1972, is discussed. Now, the first thing to recognize here, Mr. Speaker, is the objective of this bill as I understand it, and that too is noteworthy because of the objective to improve the delivery of service in a more efficient manner. There are claims that up to \$1 million in administrative costs could possibly be saved with the unification of these two corporations or companies. But I would have to question even why it is necessary at this time to have the AOC, or the Alberta Opportunity Company, in a free enterprise, free market economy such as the one that we enjoy in Alberta. I don't see the need for having the Alberta Opportunity Company.

Now, there are those that will say: well, it's not really involved with taxpayers or tax dollars. But there are debt servicing costs here, and they usually, depending upon the year, range from \$5 million to \$6 million. This is certainly noted in the fiscal plan from 2001 through to 2004. You have them in a business plan.

When you think that the Alberta Opportunity Company was established in 1972 to provide financing for viable Alberta small businesses that are unable to find the financing they need through conventional financial institutions, well, there are those that would say: go to a chartered bank, go to the Alberta Treasury Branch, or go to a credit union. There are some offshore banks that certainly individuals could approach. Since 1972, Mr. Speaker, the mandate was to give priority to businesses located in smaller communities where access to capital may be more restricted. A lot has changed in the last 30 years. A lot has changed certainly with the banking industry. There's no doubt about that. There's no denying that in the banking industry for some enterprises with user fees and with electronic transaction fees, it's almost become some sort of cash cow. But we're here to discuss the unification, shall I say, of the Agriculture Financial Services Corporation and the Alberta Opportunity Company, not to discuss the fees and the cost of those fees and the profits of the banks.

A lot has changed in 30 years, and I don't think we in this province need the Alberta Opportunity Company any longer. Now, if a person has a small business that they're interested in starting or promoting in a smaller community, I believe there is access to capital that perhaps there wasn't 30 years ago. I know there are many people concerned about the lack of venture capital in this province, but perhaps that's something that we could work at improving. Certainly the hon. Member for Lethbridge-East has discussed this with members of this side of the Assembly, and there are some excellent ideas or proposals available to provide venture capital. But how fair is it now, Mr. Speaker, when we think of businesses that have been not prospering in a community for any number of years – let's say for the last 30 years – as a family-owned business, a family-owned construction business? We could select any town at random in this province, but let's select Kitscoty.

Now, in Kitscoty there is a business, and it's been transferred from one generation in the family to the other and has prospered.

Someone comes along and they're seeking funding through the AOC to set up some competition. With that particular community what may happen is that that competition could go awry. There could be no businesses. Everyone could suffer as a result of that. With the financing that's available, a viable small business or a family-owned business perhaps cannot compete on the level playing field. Perhaps there's no need for a business there. For the company, if they have a sound business plan, if they have a strategy to develop or attract a market for their product or their service, then the banks will tip their hat to that business plan, and they will provide the money at a competitive rate. Then everyone is on the same level playing field.

I'm not stating that the Alberta Agriculture Financial Services Corporation be eliminated, but I think that this province has outgrown the need to have an enterprise such as the Alberta Opportunity Company. Now, I don't know how much money precisely is dealt with here through the AOC, but I believe - and I could be corrected if an hon. member of this Assembly has the precise information - it's in excess of \$100 million.

MR. MASON: How much?

MR. MacDONALD: I believe it deals with finances over \$100 million. Now, I could stand corrected, and if anyone has that information, I would love to hear from them.

We have to be very careful about this, and we have to understand the changes that have occurred since 1972. I think this enterprise or this organization is no longer needed. I could never understand why it was needed. Gosh, I think, Mr. Speaker, there was even money that went from AOC to various pine shake manufacturers. At one time six or seven - no; it would be longer than that. It would perhaps be 10 years since that happened. So, you know, there are various enterprises that received money in one form or another from this company. I would just caution all members that times have changed, and we do not necessarily need this company.

We are certainly grateful for our free enterprise system, our free market system, and whether you're in Kitscoty or whether you're in Calgary or whether you're in Whitecourt, I think if you have a viable business plan, there is no need for an outfit such as the AOC. Perhaps you can go to the bank. You can select your bank or your financial institution, and that's it. I think the time has finally come for not only this government but all governments. I think this is to me an indication that we're still in the business of being in business, and it's time to stop that practice. I would urge members to consider that perhaps this bill is the time to achieve that objective. I just cannot understand why in this province we need an organization like this now. We've come a long way. It may have served a purpose, but I can't see the reality of allowing this amalgamation. Just simply, I think that the AOC should be eliminated.

Thank you, Mr. Speaker.

3:40

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

MR. MASON: Thank you very much, Mr. Speaker. Well, I'm a little more equivocal on this bill. I think that it's got some interesting points. Obviously the government is trying to appear as if it's modernizing and streamlining and so on, and there's nothing really bad about that. I tend to agree that the AOC is something that we should look at, and I certainly think policies that would be in some way conducive in an overall way to the formation and growth of small business that are available to everyone would be preferable.

But I do want to indicate that we feel that the Agriculture

Financial Services Corporation has been and will continue to be very important for Alberta farmers. The concern that we have is that the merger may in some way shift its focus or direct it in some way to stop offering some of the services to farmers that it presently does. That is, I guess, the big concern. The AFSC has provided many, many valuable services. They include loans to farmers, insurance, income protection, and other things, and those things are beneficial.

Certainly we believe the family farm is under attack in this province like never before, and the policies of the government which promote the development of large agribusiness as the right approach in rural Alberta are not helping. So we're really concerned, for example, that we not be closing offices of the AFSC as part of this amalgamation. There are now about 50 offices provincially, and we think that maintaining the accessibility of the corporation to Alberta's farmers is very important and hope that any amalgamation or merger doesn't mean the loss of programs or offices or resources that are currently available to farmers.

I don't want to speak very long on this bill; that is, unless anyone has any questions they want to raise that I could elaborate on. [interjections] Mr. Speaker, I only told actual facts, but that was another bill.

Mr. Speaker, I will also indicate that we're generally supportive of the increase in the loan limit from \$1 million to \$2 million. We think that reflects the current state of affairs.

So the last caution I would raise is that as we amalgamate and modernize, there's been a temptation to try and make these publicly owned corporations look like private-sector corporations, with very, very fat salaries for CEOs and, you know, all of those kinds of things. [interjections] The WCB would be a case in point where that kind of corporatization is . . .

THE DEPUTY SPEAKER: Hon. member, sorry to interrupt you, but the hon. minister doesn't know that he has to wait until after you've finished your speech before he might ask you a question under Standing Order 29 as well as other rules.

Edmonton-Highlands.

MR. MASON: Thank you very much, Mr. Speaker. I was enjoying the hon. minister's questions with one ear, but I'm sure that he appreciates your correction.

Finally, Mr. Speaker, the corporate model that's been developed and that we've seen, for example, in the WCB is not where I think we should go on this. We should be making sure we put the resources right in the front line where they can help the farmers and help the small businesses if that's deemed necessary and not create some kind of high-powered corporate executive team with salaries in the six figures.

So with that caution, Mr. Speaker, I'll indicate that we'll support this bill at second reading and look forward to any comments any members may have. Thank you.

THE DEPUTY SPEAKER: A question, hon. Minister of Environment?

DR. TAYLOR: Thank you very much, Mr. Speaker. I regret I asked my question at the wrong time. It was just a slip, I'm sure.

The hon. member is suggesting that the CEO of the AFSC, Agriculture Financial Services Corporation, is making in the six or seven figures, and I'm just curious if he actually knows what the salary is of the CEO of that organization or if he's just making it up like most of his other information?

MR. MASON: I'll deal with his last comment last, Mr. Speaker, but



I want to indicate that I did not say that I knew what the salary was. I understand that the position is currently being head-hunted. I do not know what the salary is, and I did not claim to know what the salary was. I did say that I hoped the government would avoid the model that we've seen in the WCB, where the executive salary is over \$300,000.

AN HON. MEMBER: You didn't deal with the last part.

MR. MASON: Shall I deal with the last part of his comment?

THE DEPUTY SPEAKER: You've run out of time, hon. member. It's 30 seconds each.

A question, hon. member, or to carry on debate on this bill? The hon. Member for Edmonton-Mill Woods on the bill.

DR. MASSEY: Thank you, Mr. Speaker. I'm pleased to have the opportunity to make a few comments about Bill 7, the Agriculture Financial Services Amendment Act, 2002. I have some sympathy with the aims of the act, and it arises out of some concerns we've had in our constituency working with people who are living in poverty and experiencing poverty. The roundtable on poverty was fortunate enough to get a grant from the community lottery board to run a series of sessions for people who are experiencing poverty and who are interested in starting their own businesses. We were able to have some general sessions and then to run an incubator for some of those people who had ideas that were worthy of pursuit. One of the great difficulties that that group of individuals has of course is securing financial backing for the projects that they bring forward. There are a number of reasons for that, but they do have a great deal of difficulty.

3:50

It seems to me that as you read the proposed bill and the kind of promotion that is expected, there's quite a difference in the classes of businesses that are going to be eligible for support. I'm not making a comment as much as I'm asking a question. One of the purposes is to provide "employment and business experience for Alberta students through loans for the creation, expansion or operation of student business enterprises." The following one: "Companies, associations and groups formed for the purposes of attracting industrial development and expansion within their communities." And the last one: "Industries involved in pollution control, including recycling of products." It seems to me that those classes of business are going to find a very difficult time gaining financing in the normal commercial market, yet they are quite different from some of the other ones that are going to be supported: "Alberta services and products to enhance their marketing and export potential" or "commercial enterprises offering a high degree of job opportunity in relation to capital investment."

It seems to me that there's quite a discrepancy. There are two distinct groupings of businesses that are going to be eligible, and I wondered if the crafters of the bill had considered that and made that kind of distinction when they were putting forward the listings and the purposes that we have here. I think there are some conflicting assumptions. One is the need to "promote the development of resources and the general growth and diversification of the economy," and the other assumption is that the current financial structure won't or can't respond to those needs. Yet that doesn't seem to me to be equally true for all of the companies that are listed here.

This may be a more appropriate question at committee stage, but it's one that I would be interested in having some information on. Thank you, Mr. Speaker.

THE DEPUTY SPEAKER: The hon. Member for Leduc to close debate.

MR. KLAPSTEIN: Thank you, Mr. Speaker. I have no further comments other than to move that the vote be taken.

[Motion carried; Bill 7 read a second time]

### Bill 11

#### Energy Information Statutes Amendment Act, 2002

THE DEPUTY SPEAKER: The hon. Member for West Yellowhead.

MR. STRANG: Thank you very much, Mr. Speaker. I'm pleased to move second reading of Bill 11, the Energy Information Statutes Amendment Act, 2002.

This bill will ensure the prompt, accurate submission of vital energy information by industry allowing government and the Alberta Energy and Utilities Board to continue acting in the public's interest by effectively managing energy and mineral resources and revenue and facilitating the achievement of cost-saving negotiated electrical rate settlements.

This bill will amend a number of energy-related acts to ensure that the specific information provided by industry under these acts or their regulations is protected from disclosure despite FOIP, extending the same protection to royalty forecasts and information provided by industry. The following acts will be amended by this bill: the Natural Gas Marketing Act, the Electric Utilities Act, the Oil and Gas Conservation Act, the Oil Sands Conservation Act, and the Coal Conservation Act.

These acts require industry to submit information to the Crown or the Alberta Energy and Utilities Board including analysis of geological and geophysical data required by the Crown to manage Alberta's mineral resources, royalty information required by the Crown to levy and collect appropriate resource revenues, information required to submit to the Alberta Energy and Utilities Board for the purpose of achieving cost-saving negotiated electrical rate settlements, and royalty forecast information required by the Crown for government revenue forecasting and budgetary planning. Privacy provisions under these acts protect this information from disclosure.

The FOIP regulation currently makes these privacy provisions paramount over the FOIP Act in relation to this information. This protection helps to maintain the competitive environment that drives energy and mineral development in the province by ensuring that the information provided to the government or to the Alberta Energy and Utilities Board, often developed by companies at considerable expense, is not available to their competitors through the FOIP Act. In this way the protection contributes to maintaining a fair level playing field among all energy companies.

In its 1999 final report the Select Special Freedom of Information and Protection of Privacy Act Review Committee recommended that the existent paramouncy provision established in compliance with the act should continue but suggested that in actual practice paramouncy should preferably be established directly in an enabling act and the use of the FOIP regulation should be reserved for the time-sensitive situation. This bill achieves the recommendations of the committee by moving the paramouncy provision from the FOIP regulation into the energy-related acts. It also provides the same paramouncy for royalty forecast information.

The act recognizes, however, the need to balance the objective of open, transparent governance with that of providing reasonable protection of sensitive business information so that the information continues to be provided in the timely and accurate manner neces-

sary for effective governance. Consequently, when the acts or related regulations do not always limit the duration of confidentiality provided for the information, this bill includes time limits in the act on how long the confidentiality can override the FOIP Act. This time limit has been set at a reasonable level, bearing in mind how long the information may remain sensitive.

Transferring the paramountcy provisions to the act from the FOIP regulation and extending the paramountcy regulations to royalty forecasting information is in the best interest of Albertans. It provides a level of certainty to the industry that the information they submit will not be shared with their competitors. This will foster a co-operative environment where the necessary information is most likely to be submitted by industry in a timely and accurate way. By creating an environment conducive to timely and accurate reporting of vital information by industry, this act will allow the Energy ministry to fulfill its responsibilities for the stewardship of Alberta's resources and resource revenue and for the development of those resources in a manner consistent with the public interest. It will also facilitate the achievement of cost-saving negotiated electrical rate settlements. Industry and government must in this way continue to work together in the best interests of the province.

Thank you very much, Mr. Speaker.

4:00

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

MR. MacDONALD: Thank you very much, Mr. Speaker. Well, this is certainly not another Bill 11, but it certainly raises alarms on this side of the House. It's Bill 11 in another form, but it's also one that I don't think is without questions.

In the hon. Member for West Yellowhead's opening comments at second reading here this afternoon, Mr. Speaker, there was an indication that this is discussion between industry and government, and that's fine. That's a good thing. But there's another leg to the stool, and that's the consumers. Industry and government – it's fine to have a consultation process, but there are consumers who are also going to be affected by this legislation, whether they're consumers of electricity, whether they're consumers of natural gas, coal certainly. The hon. member is cognizant of the role that coal plays in electricity generation. It's 78 percent of the total of the province. Seventy-eight percent of the total electricity generation in this province comes from coal-fired plants.

[Mr. Lougheed in the chair]

Now, when we look at excluding information – and the hon. member talked about the information flow, but I would like to remind that member, Mr. Speaker, that that information flow is a two-way street. Information certainly can go into organizations such as the Power Pool, the EUB, which are regulatory bodies. Now, people at the Power Pool may take exception to that, but they are a regulatory body. But also consumers. I believe that consumers have a right to know and should be able to do a follow-up request in FOIP. I can certainly understand where the hon. Member is coming from, whether as a member of this Assembly or a businessperson with confidential information or confidential knowledge or a confidential process or a process that should remain confidential because of the research and development over a period of time that went into the development of that process.

I can understand that part of the argument, but when one thinks of the important role – and I will again use the Power Pool as an example and the EUB as an example – that they have in regulating

industry for the benefit of all Albertans, not for the benefit of a few but for the benefit of everyone, the decisions that are made, I'm sure, are made with the interests of the majority at heart. But I don't understand the concern for this, because there are sections available currently in FOIP, or Freedom of Information and Protection of Privacy Act, that would allow for the confidentiality requirements and the requirements of documents of a sensitive nature from the enterprise.

Now, Mr. Speaker, the hon. member can correct me again if I'm wrong, but my interpretation of this is that this act is also going to give the time limits that the member described earlier. There is to be an extension of some of those time limits, and my question at this time would be: why? Why do we need an extension of those time limits?

Now, we realize certainly that there is legislation, Mr. Speaker, that's paramount over the FOIP Act. We are dealing here with the Electric Utilities Act, the Mines and Minerals Act, the Natural Gas Marketing Act, the Coal Conservation Act, and that's it, I think. One has to recognize that with the Mines and Minerals Act and the Natural Gas Marketing Act there are particular records, as I understand it, where paramountcy will expire on December 31 of this year. I think this is also applicable to the Electric Utilities Act, and I could stand corrected on this. We have to recognize that the government, you know, does not want to contradict the FOIP Act, but I think there's an effort being made here to make it clear that the provisions in the acts mentioned as amended are going to prevail over the FOIP Act. What this really does, as I understand the member, is provide clarity for everyone.

When you consider that, as I understand it, this legislation is designed to protect sensitive information that has always been considered confidential or potentially confidential, we are not making any information off-limits that wasn't already protected, whether indefinitely or for the set periods of time that I discussed a little while ago. But if we are just clarifying these sections in light of FOIP, there are sections of FOIP that are already set aside, and I don't understand why we need to go this way. There are questions, Mr. Speaker.

Now, the FOIP Act has three mandatory exemptions. There are also 11 discretionary exemptions and a commissioner, in this case an acting commissioner, to rule on other issues. I don't know if this Bill 11 is showing a lot of confidence in the government's own FOIP legislation to protect information. This isn't a ringing endorsement.

We all know exactly how important a stable electricity generation and distribution system is to the province. What are we going to do here? Now, let's say that an individual party across the province wants to have a look at, let's pick for instance, the subsidies that are going to some of the generating stations that are currently being constructed, natural gas generating stations. These subsidies are called location-based credits. They are certainly happening in the northeast section of Calgary. They're happening in Grande Prairie, I believe in two locations in Grande Prairie.

What happens if consumers or perhaps some competitors don't feel that this is a level playing field, these location-based credits? Are they going to have access to this information, exactly, precisely what the location-based credits were in the auction? I don't know. Perhaps the hon. member can not only share with this member but all members of the House this information. Will individuals or enterprises be able to seek that information? Will they be able to seek information such as the over \$1 billion that I understand has been put into the transmission administration from proceeds from the PPAs? Now, there's also the issue of taxes or municipally owned utilities' taxes in lieu of. Where exactly would that money, if there

is any money, be going? In light of these changes will anyone ever be able to find out?

4:10

Now, I'm told that many of the electricity generators know one another's costs because they've been in the business for awhile and it is a competitive business. They can pretty well tell exactly what it costs per kilowatt to generate electricity, but in light of what has gone on with electricity deregulation in this province, I don't know, Mr. Speaker, if it is wise to be amending the Electric Utilities Act in regards to FOIP.

There are many documents that one can view on-line from the EUB, and they're very interesting reading, but at the same time we have to ensure that there is accountability and not only accountability but accessibility to the public, whether they be consumers of electricity or perhaps generators of electricity. Perhaps there's information there that it would be wise if it was available to all citizens of this province. I'm not sure why we need this legislation as it has been described to me this afternoon.

Now, in regards to the Mines and Minerals Act and, in the time that I have remaining, the Natural Gas Marketing Act there are many changes occurring with our royalty system, and the hon. member in the opening remarks in debate at second reading touched on this. I don't have to remind anyone in this Assembly of the importance of Alberta's natural gas industry not only for exports, but we have to look at the revenue that we get in this province from natural gas. This whole process has to be open, and it has to be transparent.

For instance, Mr. Speaker, the Auditor General two years ago raised reservations about the integrity of the metering system. I believe that the Auditor General was concerned about the age of this metering system and whether we were missing anything. Now, we can only go back to . . . Well, let's go back 20 years, to 1982. These are in billions of dollars. There was over \$4 billion in natural resource revenue collected and about \$7 million in non natural resource revenue. Last year was an extraordinary year, but let's look at 1992-93.

Natural resource revenue as a percentage of government spending was 12 percent, but there was, again, a significant amount of revenue collected. Excuse me, Mr. Speaker, there was \$12 million dollars in non natural resource revenue collected, and in 1999-2000 there was \$4.6 million in natural resource revenue collected. Excuse me, there was \$2 million collected in 1992-93.

Now, it's an important source of revenue. If there's ever to be any questions regarding, you know, the changes to not only natural gas and natural gas liquids, the royalties on those resources, the public has every right to know. To think that perhaps this is confidential, that this is proprietary, oh, no. I think the public has every right to know.

Now, we look at some of the changes, and they may seem insignificant. But whenever a royalty regime is modified, exactly what happens? You know, are we going to identify ethane, for instance, as a distinct resource? If we're going to do that, perhaps recognize other natural gas liquids in the residue gas, are we going to calculate royalty and allowable costs on natural gas liquids extracted at straddle points? If this information is withheld from individuals or organizations such as the Parkland Institute or the Pembina institute, who want to look into whether we're getting fair value for our royalties, then I think they should be allowed to, Mr. Speaker, and they shouldn't be prohibited in any way, shape, or form by FOIP exemptions.

We have constant changes, and when we think of our oil and gas system, it's so easy to look at this and think: oh, well, everything is fine; we're getting \$4 billion. Well, maybe we could get \$4.5

billion. You know, we look at the current formula and how it's based and the royalty rates for both old and new gas. There is price sensitivity between the base and rate caps for, again, new and old oil and gas. We can look at select prices. We can contemplate having a third tier for oil pools that have been discovered, and we could pick a date. We could pick a date of 1995. All this could be going on, and perhaps the public would not be aware of this.

Now, if we're to look at a summary – and this should be available, and I'm urging the hon. member to ensure that it always is – there's the base rate for new gas, what the current rate should be, what the future rate should be. There's a marginal rate for new gas, old gas. This is a complicated issue. There's a rate cap as the price goes up or the price goes down, Mr. Speaker. This is very, very important. Certainly production of conventional oil in this province is declining. There's no doubt about that. Unfortunately, natural gas production at some time – we're in the mature western Canadian sedimentary basin, and some wells have been producing gas for a long time. For instance, wells in Turner Valley first came onstream in 1912. You know, we all think of Leduc, but that only came onstream in 1947, and it's two or three years ago that the Leduc field went out of production. So, you know, when we have a decline in conventional oil production and there's going to be a corresponding decline in natural gas production, we have to be confident that this government is getting the maximum amount of revenue that they can from these diminishing resources. With these changes as proposed and explained by the hon. member, I don't know if someone wants to check and see if this is being done, but they will have the opportunity.

Now, you look at all the changes that have occurred in the oil and gas industry and we think of programs to reactivate oil wells and we look at wells that have lower productivity and horizontal re-entry oil wells and experimental oil sands royalties.

Mr. Speaker, I'm disappointed that my time is up on this issue, but thank you.

4:20

THE ACTING SPEAKER: The hon. Minister of Government Services.

MR. COUTTS: Thank you, Mr. Speaker. It's a pleasure today to get up and speak to Bill 11, the Energy Information Statutes Amendment Act, 2002. As Bill 11 ties into the Freedom of Information and Protection of Privacy Act, as the minister responsible for that piece of legislation I think it's important for me, in view of what I've just heard from across the way, to maybe give a bit of a history as to why this particular piece of legislation is here today and the kind of scrutiny that it received back in 1998 by then an all-party select committee to review the Freedom of Information and Protection of Privacy Act for the province of Alberta.

That committee, again an all-party committee, made a number of recommendations that have over time been incorporated into amendments across government, and this particular one dealing with energy information is one that that particular committee dealt with. The committee recommended that paramountcies should not be established in the FOIP regulation, which is where they traditionally have been, but should be housed in the appropriate ministry statutes.

Now, I've sat in this House for a number of years and heard members opposite saying that they don't like things in regulation because they can be changed rather quickly and without scrutiny by the public and that they would like to see things in statutes. So what you have is the recommendation of that 1998 committee coming forward doing exactly the things that they've been advocating for to

make sure that the proper information is put into that ministry's statutes and in this case the Department of Energy.

I should also point out that the committee did not recommend as to whether or not individual paramountcies were necessary or not, so then you have the situation where it's actually taken right from regulation and put into the statutes, but the actual debate on whether they're necessary or not was not discussed by that committee. However, in saying that, the committee clearly felt that there would be situations where the information was of such a sensitive nature that it could be made paramount to the FOIP Act. They also were very, very clear that these paramountcies should, when possible – when possible – be brought before the Legislature for debate and approval, and that's exactly what we have today: the discussion on those paramountcies.

I'd like to thank the Minister of Energy for following through on the recommendations of that 1998 all-party committee and also the MLA for West Yellowhead for taking action on the review committee's recommendations, moving to transfer these energy-related paramountcies from regulation into statute, where it's clear and delineated for all to see.

I further appreciate the work that the minister and his department have done to bring clarity and specificity to the identified paramountcies and perhaps most of all for taking actions to propose time limits for these paramountcies. The time limits ensure that the paramountcies are not ongoing and that after a reasonable period of time has elapsed, access to information requests for the identified types of information can be made. This is an important component of the act, and it's to everyone's benefit.

So, Mr. Speaker, with those few words and the reassurance that the 1998 committee recommendations are now being followed through on, I hope that all members will vote for this particular piece of legislation.

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

MR. MacDONALD: Mr. Speaker, I have a question, please, for the hon. Minister of Government Services. Understanding that whenever the FOIP committee met, the last select special committee, could the minister tell me, please, if the Power Pool and the transmission administrator were playing an active role in the distribution of electricity in this province?

MR. COUTTS: In relation to that, Mr. Speaker, when we're talking about freedom of information and protection of privacy and the government's involvement and private-sector involvement in making the decisions that eventually end up in legislation, we are accountable for the resources of this province, but at the same time we're also accountable to the point of bringing in not only the stewardship of those resources but bringing in the private sector to make sure that when they're doing their competitive businesses, they are also protected, and that's what this bill does.

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

MR. MASON: Thank you, Mr. Speaker. I appreciate the minister's comments on the act. One of the things which he talked about was that we are taking things out of the regulations and putting them in the act. Does the act not only do that but strengthen and make much more rigid the provisions for withholding information from the public?

MR. COUTTS: I don't think it does. Because of the time lines that are involved, it also adds a time line so that access can be made but at the same time allows companies to go out into the field with confidence that all of the information that they're working on is held for the betterment of the resource and for the betterment of the people that are working within their companies, Mr. Speaker.

THE ACTING SPEAKER: Are there no further questions then?

Any other speakers on this bill? The hon. Member for Calgary-Mountain View.

MR. HLADY: Well, thank you, Mr. Speaker. I'm pleased to have the opportunity to speak to Bill 11, the Energy Information Statutes Amendment Act, 2002, and as the chair of the standing policy committee on energy and sustainable development I certainly have an interest in this legislation and making sure that it's helpful to the energy industry.

Mr. Speaker, Albertans demand high levels of quality in our health care, our education, our teachers, nurses, and doctors, and everything that we can do out there. To be able to do that, we've been very fortunate because we've had such a strong energy industry that's allowed us to achieve these things and to have the highest paid folks in all of these areas. Without that, that would have been very tough.

Now, I was having trouble when I was listening to the Member for Edmonton-Gold Bar trying to determine whether he supports this or doesn't support this bill.

MR. MacDONALD: I needed five more minutes.

MR. HLADY: You needed five more minutes. Were you going to support this? No? Yes? Okay; he's not going to answer for me.

What I thought I'd do is just sort of speak to it from the point of view that maybe if he actually owned an energy company, he might have an understanding of how important this legislation is to energy companies. Energy companies spend a great deal of time and effort to obtain and analyze the geological information and the geophysical data. When they spend literally millions and millions of dollars every year to go and determine whether it's a . . .

AN HON. MEMBER: How many dollars?

MR. HLADY: Millions, billions actually, of dollars to try and determine whether it's a good decision to drill for these assets that are sitting underneath the earth, whether they should be used now, do they need to wait for later, what's the timing for it. Those are tough decisions for a company, and they spend a lot of money to try and determine that. The government needs this information and needs access to that information so that we can determine what we have in proven reserves and probable reserves and to make determinations on what we have for potential revenues in the future given what we have as an asset here in the province.

4:30

This information obviously can remain sensitive for a long period of time. It relates, as I say, to the resources that these companies are leasing from us. They're not currently economic, but they may be economic in the future. That's up to the company to decide. If we don't have access to that information, we can't make those decisions that we need to make to decide whether the company should still have access in the future, whether they should have those leases recalled in the future, and it's a tough thing for us to do all the way around.

The fundamental of it is the fact that it wouldn't be fair if a

competitor to the companies that have done that specific work would have access to this information through FOIP alone and if by going and doing a FOIP application they could find out what the assets are underneath those leases. They would be able to create an unfair competitive advantage over the people that have spent their time and money on these particular discoveries. Mr. Speaker, this would actually discourage the companies in many ways from doing further investment or giving us the straight information. If they knew that this was going to hurt their ability to be a competitive company, there would be a real challenge for us as government to be able to get accurate information and determine what sits out there as an asset for Alberta.

So through this bill what we want to ensure is that all energy companies are really playing on a level playing field and that one company's information will not at least for a specified period of time be available to another through a FOIP application. So really this bill just supports a level playing field. Companies certainly can be confident that despite the FOIP Act their information will be protected. This is one of the many reasons that Alberta is such a great place to do business, Mr. Speaker.

AN HON. MEMBER: Hear. Hear.

MR. HLADY: You betcha.

Comparing us to other jurisdictions such as Alaska, where there are three major players – they have a very different structure up there that has not allowed a truly competitive playing field to develop, and they don't see 50, 100, 200 different companies competing for those and creating a very valuable asset and getting it to the marketplace. That's one of the problems they have up there today.

The government levies a royalty, Mr. Speaker, and that's a very, very sensitive topic to all of the players out there. That's what's allowed us to be the successful and productive province that we are. The way we as a government levy this certainly helps us to make sure that we get the best economic rent that is possible out of the oil and gas reserves and coal reserves that exist. But this information is very sensitive, and for us to achieve this from the industry, as I've mentioned before, including their sales prices, the costs of production, processing, and transportation to the markets – all of those are very dependent on whether they are being successful as a company, which affects their price in the marketplace if they are a public company. Those things are crucial for us to be successful, but they won't release that if they don't know that information is going to be protected.

Ordinary Albertans would be concerned if this kind of information about themselves was going to be accessed, and that's why we have FOIP, to help protect people. Doing this act allows us to protect the corporations so that they can still be competitive and function in a successful way in Alberta. Knowing that their information is safeguarded, I believe industry will be much more confident to help us to understand what is there as an asset.

Mr. Speaker, I certainly am pleased to support Bill 11 and encourage all MLAs to do the same. Thank you.

THE ACTING SPEAKER: Any questions under Standing Order 29?  
The hon. Member for West Yellowhead to close debate.

MR. STRANG: Thank you very much, Mr. Speaker. I guess just a couple of items that were mentioned by Edmonton-Gold Bar. The first thing I would like to relate to is his saying that there's nobody there to look after the consumer. Well, I mean, I think that's why we have the Alberta Energy and Utilities Board. But I think the biggest thing that we're missing on this aspect here with the

information we're looking for and why we've got to have paramountcy is, number one, we're not looking for pricing; we're looking for production. Then our hon. Minister of Revenue can get the proper revenue for us so that we can do what we need for our province.

I guess the other thing that I'd like to state now, too, is the aspect of what's transpired. We had this team, as the hon. Minister of Government Services stated, the select special freedom of information and protection of privacy review committee. They stated that we needed this. I think there were a couple of things that were in this bill.

We listed all the different acts that we're going to look at. The Oil and Gas Conservation Act, the Oil Sands Conservation Act, and Coal Conservation Act were open. They had no sunset clause. So what we're looking at now is going for a five-year. As my learned friend from Calgary-Mountain View stated, we need to have this privacy. So we're looking at the five-year time frame, and then it should be able to be open. This way, it's going to give the aspect of government the proper information so they know what the production is, and I think that's the big thing.

I guess the bottom line, to back up my colleague the Minister of Government Services, is that we're always hearing in this Assembly that, number one, we're doing stuff behind closed doors. Here we get a recommendation from the select FOIP committee stating that they want to move it from regulations to statute. So I think we can have full debate in the House, and then we'll have a better understanding.

With that, Mr. Speaker, thank you very much.

[Motion carried; Bill 11 read a second time]

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

[Mr. Tannas in the chair]

THE CHAIR: I'd like to call the Committee of the Whole to order.

### **Bill 1** **Queen Elizabeth II Golden Jubilee Recognition Act**

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

MR. MacDONALD: Thank you very much, Mr. Chairman. I appreciate an opportunity at committee to recommend to all members that the Queen Elizabeth II Golden Jubilee Recognition Act is noteworthy, and at this time the creation of three new awards in recognition of the Queen's golden jubilee will perhaps help students with the high cost of education.

4:40

This bill, I understand, will cost in excess of \$30,000 annually. The money is coming from the Alberta heritage scholarship fund. This is the same fund that is used to provide the Rutherford scholarships, and the government will be increasing the fund or drawing on pre-existing resources.

Now, it was just the other day that I was reading in the paper – and the hon. Minister of Justice will certainly be sympathetic to this – that law school tuition fees have gone up in the last 15 years since that hon. member went through law school. Perhaps this will in some small way help, Mr. Chairman, many of the students who are faced with the burden of high tuition fees. This will certainly help,

and I believe that Alberta students deserve every possible recognition of their scholastic achievements and their excellence.

I also support any measure that will make going to college or university easier. Certainly, Mr. Chairman, university has to be accessible to everyone regardless of how many thousands of dollars the fees are. I don't think an individual or a family should be burdened with debt into middle age to pay for university or postsecondary education. What separates us from a lot of other countries is that everyone here has an opportunity to seek further education past high school, and that opportunity is in facilities that are well funded. The only unfortunate thing about this bill is that it shows how much financial assistance even our brightest students need in going to postsecondary schools.

Now, in section 3 there is the question of how these awards and scholarships are to be granted. The Premier's citizenship award will be each year granted to one student from every high school in Alberta for showing a significant contribution to the community through leadership, community service, and volunteering. One would only have to look around this Assembly at the pages, Mr. Chairman. I'm quite confident that the pages and future pages in this Legislative Assembly will be eligible because of their scholastic achievements for some of the awards that are outlined in this bill.

We look at citizenship medals; we look at scholarships for the visual and performing arts. All this is noteworthy, but we cannot in our support of this bill fail to recognize the need of other students, other students who may not have the opportunity to, say, give part-time service to Members of this Legislative Assembly by participating in the pages program.

In conclusion, Mr. Chairman, when you consider the article that was in the newspaper concerning the high cost of law school, this bill may be in a small way a recognition of tuition fees that are getting out of control. They're getting so high that many people cannot afford to go there.

It is significant to have Bill 1 here, the Queen Elizabeth II Golden Jubilee Recognition Act. Fifty years. Well, there are some members of this Assembly that probably weren't even born. When Her Majesty received the sad news that her father's, the King's, life, as the BBC described it, had peacefully come to a close, she was in east Africa on a tour. A lot has happened in 50 years. There are members of this Assembly who I don't believe were born at that time, but certainly a lot can happen. I certainly wish the Queen and other members of the royal family good health and continued success.

This bill is symbolic in its recognition not only of the golden jubilee, but I think all hon. members of this Assembly would be encouraged to think about this: this is in a small way helping some people cope with the high cost of education in this province. Perhaps we can work at ensuring that education is accessible and affordable to each and every student in this province if they want to receive more education after high school in the postsecondary system.

Thank you, Mr. Chairman.

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

MR. BONNER: Thank you very much, Mr. Chairman. It gives me a great deal of pleasure to also add a few comments at Committee of the Whole on Bill 1, Queen Elizabeth II Golden Jubilee Recognition Act.

As the hon. Member for Edmonton-Gold Bar had stated, there are a number of members in this Assembly that were not alive when she was crowned the new Queen, but for some of us, we have vivid memories of that occasion.

MR. MacDONALD: Did you sing *God Save The Queen* as a child in school?

MR. BONNER: Yes, we did, as a matter of fact. We used to begin each day with *The Maple Leaf Forever*, and in my very first years of school we sang *God Save The King*. After February 6 of 1952, Mr. Chairman, we would sing *God Save The Queen*, and that was a significant change for students in grade 3. Yes, we sang *God Save The King* prior to that. I won't ask the hon. Member for St. Albert if she sang *God Save The King*. I'm sure she is far too young for that to have occurred.

AN HON. MEMBER: She was in *Jurassic Park*.

MR. BONNER: I will let her respond to that comment, as I'm sure she will. Having been involved with her in education in St. Albert, I know that she is more than capable of responding to that comment.

It was quite an honour here, then, today to speak to this bill, Mr. Chairman. The coronation of our new Queen was a very, very important part, and if I recall correctly, the *Edmonton Bulletin* at that time put out a special issue, as did the *Edmonton Journal*, and both of these papers had paid quite a bit of attention to this great feat. At that time I never guessed that I would be standing in this Assembly today speaking on a bill of this nature, and it certainly is a privilege to be able to do it. For this to be the first government bill that we are debating, Bill 1, it is also a pleasure to see that it is not contentious, and I'm sure that it will have the support of all members in the Assembly.

4:50

Now, then, what Bill 1, the Queen Elizabeth II Golden Jubilee Recognition Act, does is create three new awards in recognition of the Queen's golden jubilee, and this is divided up into three very, very important awards: one being, of course, the Queen's Golden Jubilee Citizenship Medal; the second being the Queen's golden jubilee scholarship for the visual and performing arts; and a third area on the Premier's citizenship award in recognition of the Queen's golden jubilee.

As the hon. Member for Edmonton-Gold Bar also stated, any moneys that are funneled into education are certainly a very good investment, and it does show the confidence we have in education and not only the confidence we continue to have in education but also the confidence that Albertans have had in education from the inception of Alberta as a province and even before that time, Mr. Chairman. We all realize that public education is a means that gives every child in Alberta an opportunity to move forward. It is one of the reasons and a strong reason that so many of our forefathers moved to this province, in that they saw opportunity not so much for themselves but for their families. They realized that a public education system was essential for this to happen, and they also saw that a strong education system would not only benefit themselves but would also benefit their neighbours. This is certainly symbolic in that it does continue to support education in this province.

When I look and I see that this bill will cost at least \$35,000 annually and the money will come from the Alberta heritage scholarships fund, I think that when we look back to the inception of this fund by then Premier Peter Lougheed, certainly he would be in agreement with the cost of these funds coming out of the Alberta heritage scholarships fund because this is exactly one of the reasons that the fund was established: for future generations. What better way than to help them fund their education?

Certainly for the students that this will assist, this will lessen the burden of their costs, and for students in our postsecondary institu-

tions, all of them have experienced tremendous increases in tuition. Certainly in the good times in Edmonton and Calgary that we've seen over the past few years, for those that are required to travel to Edmonton and Calgary and stay in those cities, we've seen tremendous increases in the cost of rent. As well, Mr. Chairman, certainly over time other costs of attending postsecondary institutions have also increased very much.

I would hope that these awards would make the difference, that perhaps some students, when they do receive them, would make the decision to remain in school. It certainly for some will lessen the probability that they will have to hold down a part-time job, and it will certainly lessen the hours that they have to work, or in some cases it might mean they don't have to work at all and can devote all their time to their studies.

As I look here, I see that the Queen's Golden Jubilee Citizenship Medal will be in the amount of \$5,000 per student, the Queen's golden jubilee scholarship for the visual and performing arts will also be 5,000 per student, and the Premier's citizenship award in recognition will be decided in the regulations. Again, a big boost to education for those students who are fortunate enough to get these. I would certainly hope that perhaps even down the road we could look at increasing the quantity, the number of awards that we give out here, as well as the amount of money that's included in each award.

With those comments, Mr. Chairman, I certainly have enjoyed the opportunity to speak to Bill 1, the Queen Elizabeth II Golden Jubilee Recognition Act, in Committee of the Whole, and I know that all members of this Assembly will support this particular bill.

Thank you.

[The clauses of Bill 1 agreed to]

[Title and preamble agreed to]

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

HON. MEMBERS: Agreed.

THE CHAIR: Opposed? Carried.

## Bill 2

### Child and Family Services Authorities Amendment Act, 2002

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

MR. MacDONALD: Thank you very much, Mr. Chairman. Certainly I have a few comments to offer at this time regarding Bill 2.

Now, this idea of reducing the size of the boards could free up money from administration to those who really need it, and that's the children. I think that is a good goal. There certainly have been unforeseen administrative costs, and there have been complications surrounding the creation of children's services in 1999. Two of the largest authorities, of course, are the Calgary Rocky View and the one here in Edmonton, Ma'Mōwe, and now they represent 80 percent of all caseloads. The other authorities have run with deficits since their creation. For the first two years of the authorities' existence, as I understand it, the ministry bailed them out of their deficits at the end of the year but not this year. One has to question, whenever we're reviewing this legislation in committee, Mr.

Chairman: have the children's authorities been effective? Will this bill make them more effective or simply more responsive to the direction – now, I don't know whether this is correct or incorrect – from the minister?

Now, if we look at section 1 – and we have to have a close look here – the preamble to the act will no longer state that the well-being of children is to be best achieved “through the enhancement of prevention and early intervention programs and services.” Instead, it will only recognize the need for enhancement of these programs and services, and (c) adds to the preamble a clause stating that the programs and services must be provided in a way that is responsible to the community and accountable to the government.

Now, further on we are striking out the clause that defines agreement. We are talking about the change of the definition of child and family services to include services provided for in regulation. Will the regulations at this time – and perhaps further on in the debate the minister will clarify for the Assembly – also be changed in order to change the scope of the services provided? I would assume that that is going to happen, but certainly if in the course of time the hon. minister could answer that question, I would appreciate it.

5:00

Now, further on here in the new section 4, Mr. Chairman, the following is added after section 2: each region must be administered by an authority; the pre-existing authorities will continue; and there is notification that the CEO “is to be appointed by the Minister on the board's recommendation.”

Of course, here we get further on in the amendment to section 3, the reduction in the number of board members to 11. Is this in regards to the ministerial review of authority members? And authority members are to be replaced with – the description here is “board members.”

Now, there is permission that the minister may extend a term of office from three consecutive years up to seven.

Section 6 amends section 4(1) of the act by defining the authority as having the “rights . . . and privileges of a natural person,” but further defines these rights as “subject to this Act and the regulations.”

Now, further on we're going to replace “an Authority” with “a board.”

We are going to have an amendment to section 6, which reads, “An Authority is an agent of the Crown in right of Alberta” – and this is an addition – “under the Minister's direction.”

We are three years since the creation of Children's Services, and this is an overhaul that I believe, Mr. Chairman, is necessary. If the object of this amendment act is to give the minister more control over the children's authorities and to reduce the size of the board of each authority, then we will have to support this. There certainly are – and it's been outlined in the media; it's been outlined in question period here; it's been outlined in a lot of different places – some of the problems, and there has been a significant amount of money spent. I believe there is in excess of \$645 million budgeted for Children's Services, and we need to ensure that that money is going where it belongs, and that's to enhance the children of this province who are for whatever reason in need of care and in need of professional attention.

With those remarks, Mr. Chairman, at this time I will cede the floor to another hon. member of the Assembly, and I look forward to hearing a brief response from the minister in regards to the questions that I have at this time in committee.

Thank you.

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

MR. BONNER: Thank you, Mr. Chair. I also would like to add a few comments to Bill 2, Child and Family Services Authorities Amendment Act, 2002, and welcome the opportunity to address this bill. It is a very important bill, and it also is a bill that deals with perhaps some of the most vulnerable people in our society, certainly the people who have not yet reached their position in life where they can take care of themselves or provide for their care down the road. So I think it is a very critical area, I think it's a very important area, and I think it's one that we have to certainly put the necessary resources and the necessary people in place to take care of children and families in our society.

One of the things I do notice is that there are three important areas that the bill deals with. First of all, the bill will downplay the importance of prevention and early intervention in the Child Welfare Act. Another area this will look at is that it will reduce the children's authority boards from 15 to 11 members, and what it will also do, Mr. Chairman, is it will transfer from the authorities to the minister, and it will outline how the authorities will operate under this bill. It will place the emphasis on the power of the minister to give orders to the authority.

Now, then, when I look here as well, I can see that we have had overruns in both Ma'Möwe and Calgary Rocky View and that 80 percent of all caseloads are involved in these two areas. In looking at this whole situation of families and children and the family services authorities amendment act, I think we have to look at the demographics, and certainly when we look at demographics in these two areas, it's interesting to note that Edmonton, Mr. Chair, does have in the neighbourhood of 16 percent where we have a lone parent in charge of children. Calgary is slightly lower at around 13 percent. As well, when we look at why there would be such a large grouping in these two authorities, we also have to look at the incidence of low incomes. Again when we look for the incidence of low incomes in families, we see that Edmonton is somewhere in the range of 21 percent and Calgary is just slightly under 20 percent. So certainly those statistics bear out why the majority of these cases would be centered in the big cities. I know that so many people view our cities, particularly our larger cities of Edmonton and Calgary, as areas to go to when they need help. So, as a result, a greater amount of the workload is going to be in these two authorities.

Now, then, I do like the fact that we are going to reduce the size of each of the boards of the authorities, and of course by reducing that, there will be more moneys available. Yet I also think we have to take a very hard look here at why these authorities have had deficits and have had to run with deficits since their creation. Certainly if the need is there, then it indicates that we can solve the problem probably by combining two different methods to increase efficiency and to make them run as efficiently as they can, but also, Mr. Chairman, we do have to look at the idea here that if, in fact, they cannot make it on their budgets, then certainly the amount of the budget that we give to those authorities must be increased.

5:10

We look at the fact that people who do require the benefits from child and family services authorities tend to congregate in our larger cities of Edmonton and Calgary. We do know that in dealing with children, we are never going to be one hundred percent correct, but we certainly do want to increase that efficiency. We do for example want to make certain that no child falls through the cracks. I know that is the wish and the desire not only of all members of this Assembly but all Albertans. We do have so many different ministries and organizations involved. Hopefully we can become more

efficient and not allow any children to slip through the cracks.

As well, I noticed that one of the major changes will be in the preamble to the act, where it will no longer state that the well-being of a child is to be best achieved "through the enhancement of prevention and early intervention programs and services." Instead, it will only recognize a need for enhancement of these programs and services. I think it's critical that we look at a model which best achieves the well-being of the child and makes that paramount.

I think of a convention that I attended in Chicago a year and a half ago, and I see, Mr. Chairman, that in the city of Chicago, for example, 70 percent of the children who attend school are on a hot lunch program, again the huge impact that this type of a program would have on those that have to fund it, those that have to make certain that it does perform what it is meant to do. I think that we have a real opportunity at this stage in this province to look at our early intervention programs to see, as so many people that have spoken in this Assembly have brought to our attention, that for every dollar we invest into early intervention today, we save \$7 down the road.

So with those comments, Mr. Chair, I will be taking my seat and allowing other members to speak to Bill 2, the Child and Family Services Authorities Amendment Act, 2002 in Committee of the Whole, and I certainly look forward to hearing their comments. Thank you.

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

DR. MASSEY: Thank you, Mr. Chairman. I'm pleased to have an opportunity now at the committee level to address Bill 2, the Child and Family Services Authorities Amendment Act, 2002. There are a number of concerns. I think that when it was in second reading, I indicated that we supported the bill and will be voting for it, but it's not without some reservations. We wonder if the total impact of the bill is not going to be one that places more authority in the minister's office. That may not have been the intention when it was drawn up, but it may be the result of the kind of provisions that we find in the bill.

I think we agree that the defining of authority and the defining of board is a good thing. It brings clarity to the act and, more importantly, will make it clear to administrators, to board members, and to chairs exactly where their responsibilities lie. As I said, I think that that's a good thing for the act and for the authorities.

I go back to one of the recommendations put forward in the report Connecting the Dots, that looked at the social workers in the province. One of the recommendations that that report made was that every change be viewed through the eyes of children and that the question be raised: does this change make things better for children and directly affect them? I looked at this bill, even though it deals more with administrative and governance concerns, through that prism, and I wonder if there aren't some concerns.

We would hope that local authorities would have the power to deal effectively with concerns and to make plans for their jurisdiction. Certainly that was the intent of breaking the system up into a number of authority regions. But a bill such as this, which seems to give more decision-making to the minister, may work against the interests of children, because I think even the minister would admit that she is not in the best position to be making a lot of the decisions that the authorities and their administrators have to make and that there are a whole host of decisions that are better made at the local level. When you start constraining what they can do at the local level – it's one thing to make it clear what they can do, but if in the process of adding that clarity you start to constrain or take powers away from the boards, then I wonder if we are really serving the best



interests of children. So it's a concern that permeates this bill, and it's a concern that is going to be raised when we deal with the companion bill, Bill 9, later in the session, Mr. Chairman.

The reduction of the board members to 11 is, I think, a good move. Large boards tend to be unwieldy. I know from working on a school board of nine that at times even that was too big, but I think 11 is an appropriate number. I think the mechanisms put in the bill to ensure that there's some continuity in membership, that all members on a board are treated equally in terms of their ability to serve, and the length of time they're able to serve as members are a good thing.

The section that has the minister giving boards written directions and expectations I think has to be looked at really carefully in terms of what the scope of those directions to boards will include. Again it goes back to my concern that there may be a limiting of local authority and a centralization of power in the minister's office, and I think that would be unfortunate. There's been a great deal of difficulty, I realize, with some of the boards in terms of them carrying out their functions, but I think a lot of that is wrapped up in the education of board members and the responsibility that the board members themselves take in terms of preparing themselves to oversee an authority in the province.

5:20

I think there are a number of other items with respect to confidentiality: giving the Lieutenant Governor in Council the authority to make regulations regarding confidentiality and information possessed by the board, and then regarding conflicts of interest. But the one on confidentiality is one that I think should raise some red flags. We have to be clear, we have to be certain when children are in government care, children that the government is dealing with, that

those dealings are open to public scrutiny. We've had some unfortunate cases in the last few months in the province where there were obviously problems within the system. Even the method in which those problems are being investigated raises questions as to the openness and, more importantly, the fairness of how families and children are being treated by the system.

So with this whole business of what can be kept confidential, certainly we have to make sure that we protect children, but we also have to make sure that in that process it doesn't carry protection for the government and allow the government to escape the kind of scrutiny that is demanded by the public and should be a normal part of the operations of a democracy and that the government is held accountable for actions they are involved in.

So I think with those comments, Mr. Chair, I'll conclude, and as I indicated, we will be supporting Bill 2. Thanks very much.

[The clauses of Bill 2 agreed to]

[Title and preamble agreed to]

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

HON. MEMBERS: Agreed.

THE CHAIR: Opposed? Carried.

The hon. Government House Leader.

MR. HANCOCK: I would move that we call it 5:30.

[Motion carried; the committee adjourned at 5:25 p.m.]

