

Legislative Assembly of Alberta

Title: **Monday, April 22, 2002**

8:00 p.m.

Date: 02/04/22

[Mr. Shariff in the chair]

THE ACTING SPEAKER: Please be seated.

head: **Motions Other than Government Motions**

Provincial Achievement Testing

505. Mrs. Gordon moved:

Be it resolved that the Legislative Assembly urge the government to review and re-evaluate the delivery of provincial achievement testing.

[Debate adjourned April 15: Mr. Lord speaking]

THE ACTING SPEAKER: The hon. Member for Calgary-Currie.

MR. LORD: Well, thank you, Mr. Speaker. Last week we ran out of time to discuss Motion 505, so this week I am pleased to again rise to speak in favour of this motion, which urges the government to conduct a review of provincial achievement tests.

Last week I spoke about the excellence of our education system in Alberta and how well our students were doing on competitive exams. I also spoke about some of the shortcomings of those exams and questioned whether or not they captured all of the important skills our children need to learn or maybe have learned and whether or not we were just teaching to the tests. Also, there are other skills that our children may possess and not be recognized for, and the critical question is whether or not such tests that we're doing now might obtain those results or whether or not we should attempt a more comprehensive assessment of student abilities than the current standardized tests are capable of proving. Of course, in looking at that, an equally critical question would have to be whether or not such tests are too costly to be widely administered.

Suggested alternatives that I have discovered are based on the concept of a performance-based assessment. Depending on the subject matter being tested, the performance may consist of demonstrating any of the active skills that I have mentioned before which are untested by standardized achievement tests. For example, when the evaluation of writing, drawing, or other artistic impression skills is concerned, a portfolio assessment involving the ongoing evaluation of a cumulative collection of creative works may be an approach worth examining. With this approach, the student can track their improvement over the course of the school year because the work they submitted in September is available for them to look at in May and June, when they have nearly completed the year.

For subjects that require the organization of facts and theories into an integrated and persuasive whole, an oral defence-style assessment may be an approach that we can take a look at. This approach would allow for a free expression of thoughts and ideas, both of which are limited by standardized exams. Through this format, students can display what they know as opposed to the current format, which focuses on what students don't know.

A third approach is based on a problem-solving model – this method could be adapted to most knowledge-based disciplines – where students would be presented with a problem scenario that can be resolved through the use of specific principles that the student would have learned through his or her study of the subject material.

The methods that I have described may be impractical on their own without standardized testing in the sense that they are difficult to obtain a general picture of the whole education system from, and

they may not be cost-effective either. However, if they can be used in conjunction with standardized testing, then I think that we as parents and taxpayers can gain a better understanding of how our children or children in the school system learn and a comprehensive look at what each child can do as a student. Mr. Speaker, I would not suggest that standardized tests be abandoned for a new method as standardized test scores that are obtained through a valid and reliable instrument can offer a wealth of information about students, teachers, schools, school districts, and the curriculum. However, I think that there is room for a complementary evaluation that can more closely examine the growth of each student.

Mr. Speaker, I am unsure that we are currently taking an in-depth assessment of the abilities of each student in Alberta. Along with others I feel that our current standardized tests could be more comprehensive in their approach. Further, I think that a review of provincial achievement tests would examine the concerns that Albertans have. It could suggest alternatives to the present system and answer questions about standard exams. This is why I support Motion 505 and a review of standardized testing in Alberta.

Thank you, Mr. Speaker.

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

MR. BONNER: Thank you very much, Mr. Speaker. I'd just like to add a few comments to what other members have made in regards to Motion 505, "Be it resolved that the Legislative Assembly urge the government to review and re-evaluate the delivery of provincial achievement testing." I fully support this motion.

I had the opportunity to work on the grade 9 provincial achievement math test, an experience that was valuable to me but unfortunately wasn't as valuable to my students, and there are a number of reasons for that. Certainly they had to prepare to write an achievement test, and in writing that test, there were flaws in the testing, the way the tests were written, to begin with. At that time we were only rewriting one-third of the questions per year, so one-third of the questions had been used the previous year and another third the year before that. So the potential for misuse of the test was certainly there by teachers and by students if they happened to get their hands on them. We saw how easy that was to do, for example, in a grade 12 departmental test where some students were able to get copies of the test before they wrote.

As well, you are putting schools and you're putting school districts into the position where they are being judged on how well their students do on those exams, but really when we get back to hopefully what those exams are meant for, which is the benefit of students, they rarely, rarely get to see those results. If they do get to see them, those results in the majority of cases are not used, particularly at grades 3, 6, and 9, for any sort of evaluation on their year's work. Now, at grade 9 we certainly had the option of using a percentage of that mark if we wished towards the final grade for that student, yet by the time those students in grade 9 had their exams evaluated and the marks sent back to the school, they'd already moved on to grade 10, so the majority of them never had the opportunity to find out what sections of the test they did well on, what sections they did poorly on, or even what their mark was. The same situation would apply, Mr. Speaker, when we look at the grade 6 student. The grade 6 student writes those near the end of June, and certainly the teachers have the ability to mark those. The same comments I made about grade 9 would apply to grade 6s.

Now, I think that probably the most inappropriate place for these exams is at grade 3. There are so many more uses we could be making of testing of grade 3 students than for achievement. I think:

why wouldn't we use a test that could measure what areas perhaps they're having trouble with, some sort of a diagnostic test where we could pinpoint difficulties that students are having? Why couldn't we use those tests to have a team of experts help those students who are having great difficulty? I think one, for example, would be in the area of reading. Certainly that is one of the areas where we can test to see how well students are doing and how well they learn that particular skill in their first three grades. How much the whole school system would benefit if we could have every child reading well by the time they finished elementary school. This would certainly ensure that that problem of not reading is not passed on to other teachers that have to deal with a student who can't read. We do know that there is an optimum time for learning for various disciplines, and certainly with reading, the earlier we can get students to be proficient in the elementary grades, the better off we are.

Another area that gives me great concern with these tests is the fact that they are being used today for exactly the reason they said that they wouldn't be used for when they were first proposed, and that is to judge schools and to judge school districts. It is certainly an unfair use of those tests. When we look at those results, without too many exceptions the results that come in those tests almost parallel the socioeconomic conditions that we find in the areas in which those schools are situated. Now, certainly in some cases – and I can use the case of Londonderry junior high school in north-east Edmonton. Londonderry junior high school has a Mandarin program. It attracts many students who wish to study Mandarin, and these are top-notch students, so certainly there's a case where the norm would vary slightly in that achievement scores in that particular situation would be much higher.

8:10

Now, as well, Mr. Speaker, one of the other major concerns I've always had with achievement tests. Since they are not doing what they originally set out to do, I can't see what is the purpose of having every student in grade 3, grade 6, grade 9, and grade 12 write those exams. We can get the same information, particularly in grades 3 and 6 and 9 if we wish it, without having to do an exam that encompasses all the students in this province in those grades. We could certainly take a sample from across this province and do that, and we've seen this happen. We had a situation last year where our Alberta students were compared not only with students across Canada but students internationally, and they did very well. We certainly didn't have to test every student in the province. We could take a sample instead of a census to do that.

Now, then, if we really do want to use these tests for some sort of meaningful standard and not a self-report by government, what we want to get away from is a body that sets a curriculum, a body that does the testing, and a body that does the reporting on that testing. If, for example, we want to know how well students are doing as a whole – again the original reason that we introduced these exams in the province – then certainly what we should have is an independent body that would come in and test our students, and they would report back. That certainly would be a much fairer way for this whole process to work.

In the little bit of time I have left, Mr. Speaker, I would just like to summarize that certainly I think we have to get to a system here where our achievement tests would do a number of things. First of all, we will eliminate the misuse of tests, whether it be by teachers, by schools, by school districts. I would like to see these tests eliminated for grade 3s. Testing at the grade 3 level can provide us with much better information, information we can use diagnostically. As well, I would certainly like to see that if we as a province

through our department of ed are setting the curriculum and we feel a need for testing at various levels . . . [Mr. Bonner's speaking time expired] Certainly nobody is going to complain about those in grade 9.

Thank you very much for this opportunity, Mr. Speaker.

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

MRS. O'NEILL: Thank you very much, Mr. Speaker. I rise tonight to speak in support of Motion 505, and I'd like to read it into the record because I believe that the intent of this motion is in order to review something, not to guess ahead of time or to determine ahead of time what would be the results of such a review. Motion 505 reads: "Be it resolved that the Legislative Assembly urge the government to review and re-evaluate the delivery of provincial achievement testing."

Before I speak to the strength of a review, I'd like to take a moment to commend particularly those students in my constituency who are engaged in and have been engaged in taking the achievement tests in grades 3, 6, and 9 and of course those who take diploma exams too. They have performed exceptionally well in all three school jurisdictions in St. Albert. I would also like to say that I think the teachers who have prepared them have done a remarkable job in preparing the students for the tests.

I do believe that Motion 505 would be a means to ensuring that our standardized tests are worth while and are achieving what they should achieve. There is nothing wrong – indeed, I should say that there's something very right – about the fact that we would like to have an objective measure of where students are at provincially. I know that the parents have asked for it. I know that the students in the senior years have always asked: how do I stack up against the knowledge and the abilities as per performance on achievement tests with other students across the province? So there is a very legitimate desire to maintain these with the objective assessment of the achievement tests. However, like every tool that we use within education, sometimes it is in use for a long time and we don't evaluate what are some of the consequences, both positive and negative, of administering these achievement tests.

I can say that for those who have perhaps eased into the attitude, either the teachers or the students, the feeling that all of the education and the learning taking place in the classrooms is geared toward taking the test, sometimes if the curriculum is good, if the teaching methods are good, if the students are truly engaged and curious about learning, it's not all that wrong to find out how well they have achieved in their knowledge and understanding of the curriculum. But on the other hand, if they are merely used by those who are administering them as a tool, for instance, to be able to either boast or to use the results just in a way of selling the program or the curriculum, then I don't think that's the primary reason why they are administered. I think we should evaluate why achievement tests were put there in the first place, what we hope to learn from them, and subsequently what we hope we will be able to achieve if we are to tweak them, to change them, to adjust them, perhaps even to look at the appropriateness of the grade levels at which we administer them.

While Motion 505 indicates that a review and a re-evaluation would be a good idea, I would further suggest that it would give us the opportunity to hear from those who are preparing the students for the tests to find out how much time they spend preparing the students, how much time they spend making sure that the students truly do integrate testing and evaluation with the curriculum and with their school and classroom experience, and to also find out if we are allocating the resources appropriately. I do know that a recent COMPAS poll of Canadian attitudes regarding standardized

tests indicated 79 percent support from the public for provincewide testing of students. I sense that those who were polled and voted in favour and comprised the 79 percent were those who realized that there is a certain objectivity and evaluation learned from how the curriculum is truly being delivered and how the students are understanding it.

We also know, though, that there are a number of school boards and schools, for instance, who will use their results as a form of one-upmanship. While that might be laudable and present a very positive sense of the school and evaluation of the school, I think we have to remember the reason for which these exams are being administered, and that's for the child, for the measurement of making sure that the student is learning a certain body of information, et cetera.

8:20

I would be the first one to admit that achievement tests do not test all the skills, all the learning abilities, nor can they speak to all the learning styles of the various individuals and students right across this province, but I would say that they are one measure of how students achieve. What we have to do is balance and weigh the positives against those factors that perhaps are not positive forces in the administration of these programs. I know that Motion 505 is suggesting that we have a comprehensive review, that we re-evaluate the strengths and acknowledge the weaknesses of achievement tests. We hear from those who either have been students taking the tests and those who are teachers preparing students and administering the tests as well.

One of the things that we really have to make sure of is that achievement tests that were introduced in 1982 of course have evolved over the years to make sure that they are as objective and accurate a tool as possible, but the other thing that we have to remember is that there is a proportionate amount of effort spent in making sure that the content and the ideas that are presented and the information queried on the tests is again current, appropriate, and suitable to the grade level. I've heard from a teacher in my constituency who feels very strongly that there is a disproportionate amount of time spent on preparing the students for these achievement tests, and I think that that kind of critique needs to go into the mix that Motion 505 suggests.

I would point out something too that I think we from a provincial perspective should take into consideration. The information that I received was that achievement testing is very costly. We know that. Lots of things are costly, but we have to make sure that we get our value for our investment, and what I do understand is that \$8 million per year is spent on achievement testing in Alberta. Now, that's quite a significant amount, but when the comparison is made to what we spend per year on curriculum development, it's only half that amount, \$4 million. So I say maybe again it is time for us to evaluate the administering of and the fact that we do have achievement tests here in Alberta, because when you compare, we invest in the curriculum development only half of what we invest in evaluating or in finding out whether that curriculum has been absorbed, internalized, and understood by our students. Those are the questions of balance and investment that I think this motion will allow us as a government to undertake.

So I would strongly urge that everyone here in the Assembly realize the strengths of achievement tests, realize that they aren't perfect, realize also that Motion 505 will give us that opportunity to improve them, restructure them, reposition them, replace them, or eliminate them, however the study and the evaluation and the review would determine. But the time has come, Mr. Speaker, and with that, I would urge everyone to vote in favour of Motion 505.

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

MR. MASKELL: Thank you, Mr. Speaker. It is a pleasure to rise today and speak to Motion 505, which urges the government to conduct a review of provincial achievement tests given to school-children in Alberta.

First, I would like to thank the Member for Lacombe-Stettler for her efforts to bring this issue forward, an issue that has certainly been of concern to me for some time. A debate concerning ways and means of measuring the learning progress of Alberta's youth as they move through the school system is something I'm pleased to contribute to.

I would like to talk briefly about achievement tests as they're used in the Alberta education system today. In grades 3, 6, and 9 Alberta students write standard exams that cover essential learning topics. In grade 12 our high school seniors are issued standard diploma exams that they must take to graduate. To use grade 6 as an example, Mr. Speaker, children take tests that measure their knowledge in language arts, mathematics, social studies, and science. These exam scores are then used to evaluate students, teachers, schools, and the success of the provincial education system as a whole. With the information that is gathered from the exams, we are then able to compare the achievements of our students class to class and district to district as well as across Canada and around the world. Some believe that it is incredibly valuable that we have a way to measure the effectiveness of our learning system as a whole and of our schools and teachers individually.

As I've been preparing for this speaking time, I certainly have been in contact with principals and with teachers and so on. One of the things that certainly troubles school principals and teachers about the current system is when we talk about comparing them individually. For instance, I was principal of a school that was an international baccalaureate school from K to 12, and in fact from K to 9 it was totally international baccalaureate. When we talk about the 15-85 results measure, for instance, for our diploma exams, where 15 percent of the students set the standard of excellence and the other 85 set the acceptable standard, well, at my school you could have flipped it around the other way because these IB students were so strong.

But I was also speaking to a school principal this morning in my constituency where their school could be called an inner-city school, where many of these youngsters are certainly behind their grade level. Yet when we issue results of these achievement tests, the problem is that people will compare schools. So if you compare Vic, for instance, the school that I spent many years at, with another school that has this kind of problem with the students that are delayed somewhat, I mean, people will then make decisions about what school they're going to send their child to, which is totally unfair to that school and unfair to the teachers, who consider then they must have failed the students somehow because they didn't get up to that measure that the students in a school that has these kind of high-achieving IB-type students in them.

I guess it's believed that being able to gather information about a student body in a quick and cost-effective manner is essential, but as I've said, the results of these tests can be used to hold the learning system accountable to the students and to the parents of the students in the schools and to the taxpayers. I mean, it's been a great thing, Mr. Speaker. Recently Alberta students have been submitting scores that rank among the best in the world, and I'd like to congratulate them for the excellent work they've done on these tests.

Results of standardized tests are also used as a guide to shed light on where students excel individually by subject and where schools

display excellence as well as the need for improvement over the core subjects. They can be used as a guide to tell the minister and associated groups and individuals that help to draft the curriculum where it needs enhancement as well as where it is meeting the desired tests. However, Mr. Speaker, are these tests comprehensive enough to gather essential information on the complete learning needs of Alberta's children? Is there information about students that is not gathered and skills that are not assessed by these standard exams? I believe that there is important information about students' learning and success available from different types of exams and through the use – and it's a kind of assessment that I've not always been in favour of – of student portfolios.

The main purpose of standardized testing is to sort through a large number of students in as efficient a way as possible. This limited goal gives rise to conformity and teaching to the test. These tests are felt to neglect or ignore several essential skills such as writing, speaking, acting, drawing, and constructing or repairing. All of these skills are taught in our schools and are valuable in life, yet they are not measured in provincial achievement tests.

8:30

Far-reaching educational policies are often based on results of standardized testing programs. Concerned individuals from the education system and beyond have questioned this situation. Questions arise because there are educational experts who are unsure that standardized tests look closely enough at the students' abilities and knowledge to make informed decisions about curriculum changes. The testing programs and their scores have been blamed for disrupting normal classroom learning and assessment, because often the tests are viewed as being one-dimensional, biased, and not useful for classroom teachers.

The phrase "tester of curriculum" captures the essence of the major controversy surrounding standardized testing. When test scores are used in a comparative basis not only to compare the educational fate of individual students but to also assess the relative quality of teachers, schools, and school districts, it's no wonder that teaching to the test is becoming a common practice in our schools. This would not necessarily be a problem if standardized tests provided a comprehensive, in-depth assessment of the knowledge and skills that indicate a mastery of a given subject matter, but to achieve that, we will need to seek out complementary tools to use in standardized testing. On their own, standardized tests may be too rigid to serve the learning needs of Alberta students.

With that, Mr. Speaker, I believe that a review of standardized testing in Alberta is overdue. It is reasonable to assume that the demand for test results that can be compared across student populations will remain strong. The critical question is whether such results can be obtained from tests that attempt a more comprehensive assessment of student abilities than the present standardized tests are capable of proving. An additional but equally critical question is whether such tests are too costly to be widely administered.

Such alternatives that I have discovered are based on the concept of a performance-based assessment. Depending on the subject matter being tested, the performance may consist of demonstrating any of the active skills that I had mentioned before, which are untested by standardized achievement tests. For example, when the evaluation of writing, drawing, or other artistic impression skills is concerned, a portfolio assessment involving the ongoing evaluation of a cumulative collection of creative works may be an approach worth examining. With this approach, the student can track their improvement over the course of the school year, because the work they submitted in September is available for them to look at in May and June, when they have nearly completed the year.

For subjects that require the organization of facts and theories into an integrated and persuasive whole, an oral defence-styled assessment may be an approach that we could look at. This approach would allow for a free expression of thoughts and ideas, both of which are limited by standardized exams. Through this format, students can display what they know as opposed to the current format, which focuses on what students don't know.

A third approach is based on a problem-solving model. This model could be adapted to most knowledge-based disciplines. Students would be presented with a problem scenario that can be resolved through the use of specific principles that the student would have learned through his or her study of the subject material.

The methods that I have described may be impractical on their own without standardized testing in the sense that they are difficult to attain a general picture of the whole education system and they may not be cost-effective. However, if they can be used in conjunction with standardized testing, then I think we as parents and taxpayers can gain a better understanding of how our children or children in the school system learn and a comprehensive look at what each child can do as a student.

Mr. Speaker, I would not necessarily suggest that standardized tests be abandoned for a new method. Standardized test scores that are obtained through a valid and reliable instrument can offer a wealth of information about students, teachers, schools, school districts, and the curriculum. However, I think there is room for a complementary evaluation that can more closely examine the growth of each student. I am unsure that we are currently taking an in-depth assessment of the abilities of each student in Alberta. [Mr. Maskell's speaking time expired] Oh. Okay. I was just getting wound up here.

Anyway, thank you, Mr. Speaker.

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

REV. ABBOTT: Thank you, Mr. Speaker. It is my pleasure to rise today and speak to Motion 505. As has been previously stated, Motion 505 asks the government "to review and re-evaluate the delivery of provincial standardized achievement tests." I think it is important that we highlight exactly what the intent of Motion 505 is. Motion 505 is not urging the government to be rid of provincial achievement tests. It is not asking for them to be changed. It is only asking for them to be reviewed and re-evaluated. The provincial achievement tests are a valuable tool for assessing how our education system is doing.

I believe, Mr. Speaker, that these tests are a large part of the reasons that we have the best public education system in the world. As we know, Alberta students are at the top of the class in Canada and internationally when it comes to mathematics. Earlier this month results of the school achievement indicator program, or SAIP, showed that Alberta had the highest marks overall in the problem-solving category by the province's 13 and 16 year olds. This of course is nothing new. Back in December the Organization for Economic Co-operation and Development, or OECD, study found Alberta students ranked number 1 in the world over 32 industrialized countries in reading, third in science and math, and well above the Canadian average. Now, that being said, I feel that the tests could possibly be reviewed by the Department of Learning, because I do not think that they are the only way that our system should be evaluated.

Mr. Speaker, the debate on standardized testing revolves around their effectiveness, reliability, and value. One of the assumptions underlying the tests is that learning can be broken down into parts

and rebuilt. The tests assess student understanding of knowledge that has been deconstructed. However, I do not believe that teachers or students can always nicely fit into the scientific model of standardized measurement used to frame how concepts and strategies are taught and learned. In school students and teachers are influenced by the assessment process, and these processes influence how teachers teach the information and how students will learn in order to achieve success. If the goal of our Learning department is to assess learning, we should also look at using additional assessment formats that will lead to student success. I feel that standardized testing permits only one single expression of understanding.

Mr. Speaker, I feel that these tests should not be relied upon as the sole examiner of students' success. I am concerned for several reasons. First, they are not developed from classroom instruction. Tests are developed outside of the classroom, not allowing the full knowledge obtained in the classroom to be realized. Now, this could be a strength or a weakness, so this needs to be looked at. Secondly, they inhibit variations in presentation of learning, and they limit content and constructs that are measured. The tests encourage students to think and respond alike, and creative and critical thinking is not always given the same value as conformity.

Mr. Speaker, standardized testing assesses skill in a manner that does not allow for the assessment of a whole activity. Teachers cannot fully know if lack of success on the standardized tests is an indication of lack of ability or lack of testing knowledge or just lack of interest. While I support the tests in general, I think that these tests paint a limited picture of our learning system. They are biased against some students, because they do not take into account such things as income levels. They do not allow for language, cultural, emotional, or physical barriers, which have an impact on test results, and with a learning system as great as ours I feel that these tests may not fully or accurately represent our entire system.

Mr. Speaker, I have a great quote I would like to share with the House from Oliver Sacks, a neurologist who studied cognitive performance. He summarized the greatest failings of standardized tests when he said: "A test situation is other people's questions. One is in a rather passive situation. In an active situation, you find your own voice and your own vision." Assessment needs to be a part of a process in which students have an opportunity to find their own voice and vision. Our tests do not always allow for this to occur.

The standardized tests are a measure of our learning system, but I think that they should be used in conjunction with other forms of assessment. I think that if a review of the tests were completed, it would be found that the tests are a very good indicator of our learning system but only if also used with other indicators.

Mr. Speaker, in January 1996 Alberta Education made the following comment, quote: although provincial assessments are designed to assess the achievement of provincial standards as reflected in the program of studies, many important learning outcomes cannot be measured by time limited . . .

8:40

THE ACTING SPEAKER: I hesitate to interrupt the hon. Member for Drayton Valley-Calmar, but under Standing Order 8(4), which provides for up to five minutes for the sponsor of a motion other than a government motion to close debate, I would invite the hon. Member for Lacombe-Stettler to close debate on Motion 505.

MRS. GORDON: Thank you very much, Mr. Speaker. I just want to thank each and every speaker. I think that every one of you brought your own perspective and the perspective of the people that you represent to the debate.

This motion has been stated several times tonight and is quite

simply that I am asking the Assembly to "urge the government to review and re-evaluate the delivery of provincial achievement testing." This has over the last couple of years become an issue in my particular constituency, and I would like to thank the teachers and the parents and the students that I have heard from on this issue. I think that we can be very proud of how well we fared in the standardized achievement testing compared to other countries and other provinces, and I appreciate the teachers that have worked very hard to ensure that our children achieve so very, very well.

It was mentioned earlier by one speaker here about student portfolios. I don't know whether student portfolios are the way to go or a combination of standardized testing and some student portfolio. I do know that in the letters that came to me, many parents were very concerned about the stress placed on a grade 3 child to write an achievement test. Although it's some time ago, I do remember back to the early years, and children learned at different levels and at different speeds, and there might be some children that are quite capable of writing a written test when others wouldn't fare so well. So all I'm asking for is a complete review. Let's look at what we wanted when we started, where we are today, and where we want to be in the future.

I thank each and every one of you again for entering into this debate, and I ask you to support this so that we can undertake a complete review. Thank you.

[Motion Other than Government Motion 505 carried]

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

Impact of Aging Workforce

506. Ms Kryczka moved:

Be it resolved that the Legislative Assembly urge the government to seriously address the impact of a growing and aging population on the Alberta labour market, taking into consideration the present culture that largely accepts disengagement or early retirement of older workers.

MS KRYCZKA: Thank you, Mr. Speaker. Hon. members, it is an honour to begin debate on Motion 506. I would like to start with the basic reasons for bringing forward this motion at this time. Then I will talk about ageism and why this government should commit to reducing ageism to keep older people at work.

Mr. Speaker, Alberta continues to enjoy a great deal of economic prosperity, attracting the attention and more of thousands of Canadians from other provinces each year. These people see the benefits of conservative fiscal management and have moved their families from their home province to enjoy what we refer to as the Alberta advantage. The migration of people to Alberta has contributed to Alberta's population being one of the youngest in Canada.

So the question that people may have is: well, why look at the issue of an aging workforce right now? The answer, Mr. Speaker, is that even though Alberta has enjoyed a great deal of population growth with the number of people moving to this province, if you consider this factor plus births, it will not even come close to compensating for the larger number of people who will become eligible for retirement by 2010 and beyond to 2030. For example, in only eight years 46 percent of all provincial employees will be eligible for retirement. This is a huge percent to have to replace from a proportionately smaller, younger population, and the picture is similar for other key work areas, including health care professionals, police services, and postsecondary institution instructors. We cannot ignore the relevance of the large and growing field of research that tells us that allowing Alberta's workforce to continue

to retire early will have devastating effects on the province's labour market.

In June 2000 the Alberta government released *Alberta for All Ages: Directions for the Future*, a governmentwide study. It highlighted several key areas to advise the Alberta government in preparing for an aging population. One of the report's key areas, and therefore with recommendations included, was to encourage public- and private-sector employers to introduce more flexible employment policies for mature workers, as forecasts point to a labour and skill shortage in a number of areas in Alberta's economy. In addition, working is one of the best ways for people to remain active and engaged in their community.

Older workers could continue to make an important contribution to the workplace, particularly if flexible work opportunities were made for them. Flexible opportunities recommended could include optional phased-in or delayed retirement, changes in work status, reassignment within a company, including changes in responsibilities, fewer working hours, or less demanding positions. Older workers are to be most valued for their brainpower and experience, not necessarily their physical power.

In October 2001 the Labour Force Planning Committee released *Prepared for Growth: Building Alberta's Labour Supply*. The report specifically identifies older workers as a source of employees who can become part of the solution to the skill shortage problem through emphasizing the advantages and positive potential impact of their extended labour force participation. In November 2001 the report *Aging Populations in the Workforce: Challenges for Employers* stated that due to declining birthrates in Canada, the United States, and Britain, these countries will see much slower growth in the pool of potential workers, with growth ultimately ceasing by 2030. The shift in the composition of the working-age population leads to a workforce that will likely be older, better educated, and largely female over the next two decades. As a result, the report urges both private- and public-sector employers to adapt or develop new training strategies to tap underused resources such as older workers.

In September 2001 the TD bank released an economics report that stated that Canada's economic growth could be hampered within a decade if the private sector is not prepared for the upcoming massive wave of retiring baby boomers. In its report the TD bank urged companies to come up with more and unique ways of attracting older workers and retaining them in the labour market longer through flexible work arrangements, respectable wages, and more training. Highly skilled older workers are seen as key resources for addressing current and future labour and skill shortages.

Also, the Conference Board of Canada released *What to Do Before the Well Runs Dry: Managing Scarce Skills in 2001*. The study reported that 83 percent of the people they surveyed stated that they were experiencing shortages of skilled labour and that 60 percent expected their skill shortages to be more pronounced in the future. Strategies for attracting and retaining talented workers, including older workers, were discussed in the study. In particular, survey respondents suggested that provincial governments increase and align basic funding to meet the skill requirements of the industry. Finally, the board concluded that Canada's future success depended on focused collective action by all stakeholder groups to ensure that the well of skilled talent does not run dry. I believe that this government should lead this type of collective action to encourage older workers to remain in the job market and to fight the growing threat of ageism.

Mr. Speaker, ageism reflects a prejudice existing in society against older adults in the form of primarily negative stereotypes and myths relating to older people. Ageism can even reflect a deep-seated uneasiness on the part of the young and middle-aged and even a

personal revulsion and distaste themselves to growing old and, further, a fear of powerlessness, uselessness, and even death. Ageism can affect individuals on two levels. First, people may be ageist with respect to others; that is, they may stereotype other people on the basis of age. Second, individuals may be ageist with respect to themselves.

Economically we view children as having future economic potential. In a way, they are seen as an economic investment. However, older adults are often perceived as a financial liability. This is not to say that older adults are unproductive, but older people upon retirement too easily are viewed as economically unproductive in North American society and are therefore devalued.

8:50

I believe that this government could reduce ageist attitudes through continual exposure to and work with older adults. By taking a leadership role, the Alberta government could use the existing government infrastructure to develop education programs and communication initiatives focusing on the benefits of keeping older people in the workplace.

The challenge for this government is to combat ageism in the workplace and beyond while also promoting the benefits of working rather than those of early retirement. A second challenge is to convince employers to adopt flexible work options. The third challenge is to change the attitudes of the workers themselves toward continued work on a flexible basis and the benefits of making that choice.

I believe it is in all of our best interests to encourage employers to reduce workplace stress in order to keep older workers working longer and thereby reduce employees' preference for early retirement. Employers should also be encouraged to promote transitional jobs with possibly a lower salary but with fewer responsibilities and on a part-time or contract basis, giving older workers more time away from work while still earning some income.

Mr. Speaker, this government basically needs to plan ahead with appropriate leadership actions. We planned ahead to eliminate our debt, and we're planning ahead to reform our health care system. Let's plan ahead for the aging population as this, too, is a very important emerging issue. The earlier we seriously work on this trend, the better prepared we'll be eight years from now when many, many more people reach the traditional age to retire. Let's help them to look at different employment options made available to them as a result of the leadership role taken by this government. Just as with the provincial debt and rising health care costs, we cannot bury our heads in the sand procrastinating about the impending age increase in Alberta's workforce.

Hon. members, as a final thought I'd like to briefly mention some of the well-known people beyond typical working age who still contribute very substantially in Alberta's workforce. Peter Lougheed, former Premier of this great province, works in Calgary as a senior partner with the law firm of Bennett Jones. Peter Valentine, Alberta's former Auditor General, is now with the University of Calgary. Dr. Bob Westbury, former CEO of TransAlta Utilities, is now with Grant MacEwan College. These men are in their retirement years but still contribute in a very meaningful way to Alberta's economy.

I look forward to the debate on this motion, Mr. Speaker. Dealing with the aging workforce is an issue this government must seriously address immediately in order to lessen the impact when thousands of older workers, Albertans, may choose retirement rather than other working options for the time being.

Thank you, Mr. Speaker.

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

MS BLAKEMAN: Thanks very much, Mr. Speaker. Well, this is feeling very familiar. Once again the sponsoring member for this motion has done a lot of work and is, I'm sure, working closely with the Seniors Advisory Council in bringing forward this motion. I'm hoping that her motion will receive a more favourable reception than the other ones she's done. It seems she works very hard to bring these issues forward on behalf of seniors and then doesn't get support from the Legislative Assembly, so I'm urging everyone to give this close consideration.

We do have an interesting situation right now where there's a push towards the ideal of freedom 55, where people were encouraged to have invested their money and made enough money and chosen a career that would make them enough money that they would be in a position to retire at 55. Pitted against that is the struggle that we're having with not having enough people in the skilled workforce pool. I think this is certainly a reasonable request of the government, that it look at the impact of the aging population on the Alberta labour market and take into consideration a culture that largely accepts that disengagement or early retirement of older workers.

I agree very much with the member that it's important to plan ahead. I think it's particularly important to give notice to seniors that this is what's being considered so that they don't feel that a deal was broken, because I know many seniors in Alberta today feel that a deal was broken for them. They had made certain arrangements for their retirement, made certain choices around their retirement, even when they might be retiring, expecting certain programs to be in place that they could take advantage of. For those that retired in the early '90s, when the current Premier came in with his focus, very quickly these programs disappeared for a lot of people, and they felt that very keenly. Certainly they felt that the deal was broken. They had taken their retirement and planned their retirement expecting certain rules and programs to be in place, and those rules and programs were withdrawn. I still hear from seniors – and I'm sure most of you in here do – about how much this has cost them. So I think it's really important that with any changes in direction that are anticipated involving seniors or retirement-age or older people, we need to be putting those policies in place now to be very clear about what the expectations are in the future.

I think it's important that there is choice and that there is balance. I don't think we want to be in a position where we're forcing people to work past 65 if they are not physically able to do that or even mentally prepared to do that. I think it should be a choice. I'd like to see, if there is to be encouragement for people to stay working beyond 65, that it's encouragement that's done with a carrot rather than with a stick. Just this afternoon I saw the government in answer to a question making a choice where instead of using a carrot as encouragement, it was a stick to discourage them, and I think we want to be moving people in a direction where they're going to accept it readily.

I notice that the Department of Human Resources and Employment is looking currently at implementing the Prepared for Growth: Building Alberta's Labour Supply plan. It's interesting, because this report makes reference to an aging population, but there's no actual exploration of it. There's no sort of inclusion or planning that's involved with it. Aging workers are not a part of the strategies for action that are included in the report, which was very odd because my understanding is that this report is quite new.

I agree with the sponsoring member that it's important that whatever we look at now when we talk about labour market and participation in the labour force, we do really consider the impact that older workers are going to have. I was talking about choice earlier, and I think this is important because I suspect that probably more in the future than we've experienced so far, we will have

workers who will need to work past 65. They will not have sufficient income nor will there be social programs which will be in place for them. In particular here I'm thinking about people who were self-employed, contract workers, part-time workers, women, in particular women who took time away from the workforce to have children. They will need to work because they will not have sufficient income to be able to retire, and I suspect that the programs that are in place or were in place will no longer be there to support them. That won't be a choice for them. They'll have to continue working in order to be able to make the rent.

I won't be surprised if there is a move to have a government committee look at this, and again I would encourage the Assembly that if there is a committee to look at it, it should be an all-party committee, where there can be representation and input and feedback from all parties represented in the Assembly.

I notice that there was an article today in one of the papers around urging the federal government to consider dropping the mandatory retirement. That's been a part of our laws for some time, and people have even challenged it and lost. I think now we will through necessity have to look at getting rid of those laws that require mandatory retirement, but again my encouragement is that we look for a balance and for choice.

Thank you.

THE ACTING SPEAKER: I hesitate to interrupt the hon. member, but the time limit for consideration of this item of business has concluded.

9:00

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

Bill 23 **Municipal Government Amendment Act, 2002**

[Adjourned debate April 16: Mr. VanderBurg]

THE ACTING SPEAKER: The hon. Member for Whitecourt-Ste Anne.

MR. VANDERBURG: Thank you, Mr. Speaker. I have concluded my comments on Bill 23. I don't know if there are comments from others in the Assembly. If so, I'll sit down at this time and make note.

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

MR. BONNER: Thank you very much, Mr. Speaker. Indeed it is a pleasure to rise tonight and speak to Bill 23, the Municipal Government Amendment Act, 2002. I would also like to take this opportunity to thank the hon. Member for Whitecourt-Ste. Anne, who certainly took time out of his busy schedule to brief myself and my research assistant about Bill 23. The first thing that became evident to both of us was the amount of consultation he had done with the various stakeholders, whether it be the AUMA or the AAMD and C. Another thing that came through very well in our review of this particular bill was that we saw where his vast experience in municipal government had come to the fore. As a result, I think that government members and opposition members should have no difficulty in supporting Bill 23, because it does reflect the wishes of the various stakeholders.

Now, then, these changes, Mr. Speaker, will make changes to the Municipal Government Act. Of course, this is the act that authorizes the operation of all our municipal authorities. When we look at Bill

23, it does two things. The first thing is it'll allow the government to move the municipal assessment information being filed on-line rather than submitting it manually. This act changes some of the dates for filing the information, and the department will now be working with the most recent assessment information rather than having a year's time delay. As well, the second part of the bill will also make changes to the standard for holding municipal employees and members of the boxing commission liable for their actions. Rather than gross negligence, the standard will be acting "in good faith." This is the same standard for provincial and federal employees.

Now, just some comments. When we start looking at the first part of the bill, this deals with assessment and taxation. There are a number of proposed amendments, and what one of these proposed amendments will do is allow the implementation of some of the Equalized Assessment Panel recommendations. As I mentioned in my opening comments, what the proposed amendment will do is eliminate the one-year lag between the preparation of current assessments and the equalized assessments, so the information that now will be provided will certainly be much more current and allow decisions to be made based on current information. This will also clearly define standards for quality assurance in the assessment practice. Again this will allow for reliability, and people in various areas will certainly look forward to that. The proposed changes as well, Mr. Speaker, will increase the transparency of the equalized assessment system.

Now, then, as well, because we have so much information, there is also protection here, and this protection would be in a form that requires both municipalities and the province to disclose asset information for the purpose of requisitions.

As well, what this particular bill will do, Mr. Speaker, is address the Auditor General's concerns about the equalization process. Now, the primary recommendation of the Equalized Assessment Panel is to move to the use of current-year assessments from municipalities for calculating the equalized assessment, and by doing this, the requisitions will be more fairly determined. As well, it will be more easily understood by the ratepayers when they are levied or when equalized assessment is done, and it will be based on current information.

Mr. Speaker, as well, the second set of proposed amendments will provide a standard of good faith for protection from liability for municipal officials and for municipal boxing and wrestling commissions. Again this is quite an interesting note that was explained to me at the time: not all cities or municipalities have boxing commissions. I was quite surprised to learn just how wide the area of the Edmonton Boxing and Wrestling Commission extends and how people without commissions will be coming to them to sponsor various events.

Now, then, these proposed amendments would protect municipal officials, employees, and volunteers from unreasonable exposure to liability when conducting local government business. We certainly know that liability is an issue that not only the average citizen on the street is facing but our various levels of government, and we continually hear this term of due diligence. So I think that this is an important change, an important proposed amendment, and it will strengthen the act. Under present legislation these people are not covered for gross negligence, so this proposed change will limit liability based on the provision of good faith. The application of good faith is in a situation where our municipal officials and employees are not exposed to unreasonable risk of liability, so certainly where the action is not reckless or deliberate, then they will not be exposed to liability.

Now, then, the members of the AUMA and the AAMD and C

have expressed support for amending section 535 to provide them an equitable level of protection from liability. There is also, Mr. Speaker, a new provision which is to be added to section 535 to protect the boxing and wrestling commissions from liability based on the good-faith clause and to offer them protection where they are currently not protected.

In closing, Mr. Speaker, the changes in Bill 23, the Municipal Government Amendment Act, 2002, do reflect the wishes of the stakeholders. It is a clear example where Albertans were listened to. These changes will improve the assessment practice. They will also improve the liability protection for municipal officials and municipal boxing and wrestling commissions. As well, it will strengthen our Municipal Government Act and make it more current.

So I would urge all members of the Assembly to support this bill. Thank you.

9:10

THE ACTING SPEAKER: The hon. Member for Whitecourt-St. Anne to close debate.

MR. VANDERBURG: Thank you, Mr. Speaker. I do appreciate the comments made by the Member for Edmonton-Glengarry. His comments were very accurate, and I did appreciate and value the co-operation.

I move to close debate on Bill 23 for second reading.

[Motion carried; Bill 23 read a second time]

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

[Mr. Shariff in the chair]

THE DEPUTY CHAIR: We shall call the committee to order.

Bill 7

Agriculture Financial Services Amendment Act, 2002

THE DEPUTY CHAIR: Are there any comments, questions, or amendments to be offered with respect to this bill?

MR. KLAPSTEIN: I'd like to provide some additional comments and respond to questions raised during second reading of Bill 7, the Agriculture Financial Services Amendment Act, 2002. I'll remind members that the prime objective of this legislation is to give the Agriculture Financial Services Corporation expanded responsibility to include the business assets, obligations, and opportunities of the Alberta Opportunity Company. The Minister of Agriculture, Food and Rural Development announced late last year that this government intended to merge the two operations, and since that time both AFSC and AOC have been working together to ensure a smooth transition on behalf of the small business and agri-industry clients that they serve.

During second reading the hon. Member for Edmonton-Gold Bar asked specifically about debt servicing costs. It should be made clear that debt servicing costs are just part of the costs included in the company's operating expenses. Income is generated from interest payments received from AOC's customers. Due to the strength of the Alberta economy and therefore a low level of loan write-offs, AOC's actual net cost to government for the past five-year period was \$5.3 million in total, or just over a million dollars per year. Operating surpluses are retained by AOC to cover future loan losses and to fund future lending commitments. This in turn

results in lower borrowing requirements from the general revenue fund.

The hon. member also suggested that businesses should or could use the services of a chartered bank or the Alberta Treasury Branch rather than the Alberta Opportunity Company. In both urban and rural areas AOC co-operates with lenders in the private sector to offer financial solutions to mutual clients. As well, a large percentage of loans approved by AOC are referrals from private-sector lenders who see some potential for the entrepreneurs but are unable to assist them due to their lending policies or other considerations. I'll remind members of this committee that since its inception AOC policy has clearly stated that financial assistance will not be provided when it's available in the private sector on reasonable terms and conditions. So to suggest that AOC is no longer needed in this province is incorrect. In fact, it may be needed more now than ever.

Alberta's rural economies are continually shifting and adapting in response to changes in the overall provincial economy, and one unfortunate constant through all of those shifts is the shortage of available financing for small businesses in these communities. We have witnessed the continued withdrawal of the major banks and other financial institutions from rural Alberta. We've seen their waning commitment to small business in general. So AOC's role as a facilitator of small business financing is more appropriate than ever. There are, of interest to this committee, more than 10,000 small businesses that have started or expanded through the assistance of AOC over the past 28 years. These 10,000 small businesses would be hard-pressed to agree that AOC has outgrown its mandate. I might also add that AOC has been very careful to avoid providing funding assistance that would result in either excessive competition to existing operators or an unfair advantage to its client. It is a fact that many a solid proposal has been turned down on this basis.

The hon. Member for Edmonton-Gold Bar also referenced that AOC deals with finances of more than a hundred million dollars. Let me be clear that AOC presently has a million-dollar loan cap, and under the proposed amendment the cap would be raised to \$2 million. So this in no way approaches the \$100 million mark referred to by the member.

As well, Mr. Chair, I wish to respond to points raised by the hon. Member for Edmonton-Highlands. He suggested that the merger might in some way shift the focus of AFSC from providing the services it does to the farming community. The services of both AFSC and AOC will continue under the merged company of AFSC. Both of these strong organizations have dedicated staff and proud histories. By reducing administration and combining the business strengths of both, we are looking to enhance delivery of a one-window, made-in-Alberta financial solution.

So those are my comments for now, Mr. Chair. Thank you.

THE DEPUTY CHAIR: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thanks very much, Mr. Chairman. I wanted to make just a few comments. I know that our leader and the ag critic for the Official Opposition spoke on this issue and was in fact speaking to the bill in his response to the Speech from the Throne, because I remember quite well the points that he was raising around the possibilities both that were being taken away and also that might be opened up through the passage of this bill. I think the sponsoring member has made it quite clear what the government's aims for this are. Certainly we'd always be looking to support something that was an efficiency, that created a balance, that enhanced accessibility and choice in any sector that we're talking about.

Our concerns around what's happening here – and, actually, I was expecting an amendment to come forward from the government on

this very topic I'm about to go into. Not only is it important that this new office not be used to grant loans when there's regular financing available, but the act should clearly direct the local approval officers not to approve a loan when the approval will introduce an imbalance, a disequilibrium in the local market. This I think is critical. We certainly have seen examples of this in the past where, you know, you can have a couple of businesses competing, a tight marketplace, and profits are pretty close to the line; nonetheless, they're all surviving. Then we get someone who comes in, direct competition, and they've got AOC financing. Well, that's the end of everybody. That really is creating an unlevel playing field.

If there's one thing I keep hearing from this government, it is how they like that level playing field. Well, then, I think you've got to be careful to make sure that you have not put things in place that can create an unlevel playing field. I was expecting, as I said, an amendment coming from the government. I believe that was an agreement or something that had been worked out between our ag critic and the sponsor of the bill and perhaps the Minister of Agriculture, Food and Rural Development as well; I'm not sure.

9:20

That's really our most consistent concern on what's being proposed in this bill: if we have a competitive situation existing already with a number of businesses providing a service or a product, the government should not create a subsidized business that goes in competition with the local self-financed businesses. That creates an unfairness. That is the government picking winners and losers or their agents picking winners and losers. One of the checkpoints on that is that if commercial lenders don't see an applicant's business plan as viable given local market conditions, then the Alberta Opportunity Company or the financial officers that are now involved in these new offices should not be approving this and disturbing the local equilibrium, or the local balance, or the local tension, between existing businesses any further.

That, as I said, was the concern that we in the Official Opposition most dreaded seeing as a result of this bill passing. Certainly we know that some sectors in the rural community have felt abandoned by this move. It was quite a topic of discussion during the by-election in Whitecourt.

AN HON. MEMBER: Wainwright.

MS BLAKEMAN: Wainwright. Sorry. Wainwright. Sorry about that.

MR. BONNER: George is still here.

MS BLAKEMAN: Sorry; I didn't get rid of somebody here.

You know, people were concerned that their local office would be closing and would be amalgamating, but I was reasonably convinced when I was told that in fact most of the increase had been coming by telephone and that there were going to be adequate telephone call centres to deal with any calls that were coming in from potential users of these offices. I think access is always an issue, particularly when we have such a vast land mass in Alberta, in trying to serve the various interests there. Anything that can be done to make that easier – and part of that is using available technology, frankly. Where we have the possibility for video teleconferencing or e-mail, use of web sites to get information out there, 1-800 numbers, we should be doing everything we can to facilitate that. In the voluntary sector we call it capacity building, so that all the participants have the capacity to participate in that arena.

I think that's what we want to see here, that people can still take

advantage of the expertise that's being offered through these offices, but they may not be doing it face-to-face. They may be taking advantage of some other methods, some other routes of access perhaps that are even more cost efficient. But certainly we don't want anybody to feel that they got left out in the cold or that their interests aren't being taken into consideration here.

We are in Committee of the Whole. Perhaps I have spoken too soon and there will be someone bringing forward this amendment that I'm waiting for. I know that our critic for Agriculture, Food and Rural Development was certainly looking forward to that and has charged me with bringing forward those issues on his behalf.

So having put that on the record, Mr. Chairman, I'm very happy to take my seat and let others continue the debate.

THE DEPUTY CHAIR: The hon. Member for Leduc.

MR. KLAPSTEIN: Mr. Chairman, I think I should respond to the comment that was made about an undertaking or understanding that we would be bringing forward an amendment. I'm not aware of that kind of an arrangement, but what I do have is a copy of a notice of amendment that came from the hon. Member for Lethbridge-East, and I did pass word over to opposition members this afternoon saying that we would be rejecting that amendment if it did come to the floor. So I guess I'll leave it to the hon. member to decide whether she wishes to put the amendment on the floor, and then I could speak to it. I have a copy if you want it.

[The clauses of Bill 7 agreed to]

[Title and preamble agreed to]

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

HON. MEMBERS: Agreed.

THE DEPUTY CHAIR: Opposed? Carried.

Bill 14 Gaming and Liquor Amendment Act, 2002

THE DEPUTY CHAIR: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Minister of Gaming.

MR. STEVENS: Thank you, Mr. Chairman. I do have some comments I'd like to make at the beginning of committee on Bill 14, and these comments essentially deal with points that were raised by members during debate in second reading.

First of all, Mr. Chairman, I'd like to emphasize that this government strongly supports a unique charitable gaming model. We have and we will continue to support it. Members opposite and all Albertans can be assured that Bill 14 will only strengthen our adherence to the charitable gaming model. Secondly, integrity is paramount in the Ministry of Gaming. The amendments that Bill 14 proposes to the current legislation all serve to enhance the integrity of gaming and liquor activities in Alberta. Albertans deserve nothing less, and we are committed to maintaining the trust that they have placed in us.

Mr. Chairman, I'm going to now speak briefly on some of the specific concerns that were raised by members who spoke during second reading. One of the queries had to do with what sort of consultation went into the gaming licensing policy review. I can say that the word that best describes it is extensive. We have had a large

number of stakeholders, and they were most definitely consulted. As for specific groups, they would include the public, charities, the Federation of Alberta Bingo Associations, casino operators, police, AADAC, AUMA, AAMD and C, the Alberta Gaming Industry Association, the Alberta Hotel & Lodging Association, the Alberta Restaurant and Foodservices Association, and indeed the list goes on. A complete listing of the groups consulted is available on the Gaming web site at www.gaming.gov.ab.ca. The specific groups consulted for the purposes of Bill 14 include many of the names which I have just set out as well as the Alberta Liquor Industry Roundtable and various municipal governments.

Another area of confusion was that extended hours of bingo operation would lead to more paid staff, which would lead to organizations not having the same volunteer presence, which would lead to the government removing part of the proceeds raised. Mr. Chairman, I'm not completely sure of the logic behind this statement, but let me clarify by saying that hours of operations for casinos and bingos have not been changed for some time, and we're not looking at extending them anytime in the near future. As for the latter part of the argument, I don't know how often I need to repeat this, but we in Gaming wish to ensure maximum returns to charities. That is definitely part of our mandate, and that has not changed with respect to the new policies and this proposed legislation.

Another point raised by an hon. member had to do with the social costs of gambling, including research and benchmarks. Let me assure you that we take our commitment to social responsibility very seriously, and we've backed that up in a number of important ways. The first obviously is through our funding of AADAC, funded entirely by the Alberta lottery fund, to the tune of over \$47 million. We will continue to support them in their valuable work in helping those with alcohol or gambling problems.

9:30

The second is through the ongoing support of the Alberta Gaming Research Institute. The institute is currently undertaking a variety of studies on issues surrounding gaming, and I know that they're paying special attention to the social costs of gambling, on which there is a dearth of scientific factual information worldwide. This kind of research can't be done overnight, and I would urge the hon. members opposite to give the institute the time to complete their research and to provide us with their findings.

I know that the hon. Member for Edmonton-Centre has in the last couple of months attended a seminar here in Edmonton that was put on by the institute, and I thank her for showing that interest. I also know, in talking to members of the institute, that while they are in their early days in this particular initiative – it's about three years old – and while there has not yet been the fruit of a great deal of published material, the institute and the people who are associated with the institute have gained a reputation, a very good reputation, and are known throughout Canada for doing very good work in this area. So I think that we in Alberta have something to be very proud of as it relates to being at the forefront of research with respect to issues associated with gaming and gambling.

Mr. Chairman, there also appeared to be some confusion with respect to provisions dealing with gaming patrons who are apparently intoxicated. Some hon. members felt that there were different standards being applied to casino workers as opposed to standards currently applied to staff of bars and lounges. Section 91 of the gaming and liquor regulations clearly states that it is an offence to sell or provide alcohol to an intoxicated person. I understand that staff of a licensed facility cannot be responsible for the behaviour of patrons prior to their arrival at the licensed facility, but once that person arrives, staff are responsible for meeting the provisions of the

licence. The provision of Bill 14 would make it an offence for someone who is “apparently intoxicated” – that is, someone who has had too much to drink – to participate “in a gaming activity.” This additional provision merely reinforces our commitment to social responsibility, and it applies across the board to any licensed facility offering gaming activities, be it a casino, a bingo association, or a bar.

In conjunction with this, Mr. Chairman, there were questions raised about enforcement provisions. The Alberta Gaming and Liquor Commission employs a large number of inspectors, whose job it is to enforce the provisions of the Gaming and Liquor Act and regulations. The police are also designated as inspectors under the Gaming and Liquor Act. Between our inspectors and the police we do an excellent job of making sure that licensees follow the rules, and the provisions for apparently intoxicated gamblers will be another part of our enforcement role. Anyone who doubts this is free to take a look at the AGLC web site, where they’ll find a searchable database of infractions and penalties applied against licensees who didn’t follow the rules.

A bit later in the debate a question was posed as to whether or not we would consider having on-site enforcement staff. The answer to this is no. However, other options are available to us, and we are pursuing those. We have in place for staff of licensed premises programs covering responsible alcohol service and some of the warning signs of problem gambling. All of this adds up to effective enforcement, Mr. Chairman, and we will continue to operate this way into the future.

I heard a number of times, Mr. Chairman, that some hon. members question the amount of scrutiny that goes into gaming and liquor activities in the province. Once again let me assure you that integrity is paramount, and Bill 14 strengthens the AGLC’s regulatory authority, including expanding the reach of the background inquiries we are able to do, increasing fines for those in violation, and increasing the authority of the inspectors.

Maximizing returns to charities comes up again with questions about the option involving private operators being given facility licences for bingo. Our reasoning behind this is that the private operator concept may help to increase revenues to charities. As you know, other than a small licensing fee, all bingo revenues go to the charitable organizations. By allowing bingo licensees, which are charities, the option of involving private operators with their ability to invest in capital projects and improvements, we see the bar being raised for bingos and returns improving to charities who run bingo events. Volunteers will be able to spend more time on volunteer duties as opposed to operating what in some cases are multimillion dollar businesses. I want to reiterate, Mr. Chairman, that it will be up to the individual bingo associations if they wish to become involved with a private operator, and the AGLC will ensure that there are guaranteed returns to the charities.

Another question had to do with the option of bingos hiring paid staff, the suggestion that this would lead to the government removing part of the proceeds raised by charitable groups and facilities that choose to go this route. Nothing could be further from the truth, Mr. Chairman. It goes back to the charitable gaming model. Bingo associations are free to hire paid workers as long as they maintain their controlled expenses, which cannot exceed 10 percent of the gross revenue. The option of paid workers alleviates volunteer burnout and focuses on current business practices. Again bingo associations will be free to decide on their own if they want to go this route. All of the bingo changes stem from the reality that bingo has been a declining industry, Mr. Chairman. Members of the industry have expressed the need to have more options and flexibil-

ity. These changes to the Gaming and Liquor Act facilitate that request.

Something else that seemed to be of concern was the change in definition of VLTs and where this could lead. What this does, Mr. Chairman, is address a judicially recognized flaw in the current definition and assist the AGLC and law enforcement agencies to enforce legislation around illegal electronic gaming terminals, including slot machines and VLTs.

Finally, Mr. Chairman, there were some comments made with respect to the privative clause which is included in Bill 14. Again there seems to be some concern in certain quarters. I think it might be appropriate to explain the board hearing process. When an inspector or police officer finds evidence of a violation, the licensee is offered a specified penalty. The licensee can agree to the specified penalty, or they may choose to go before a hearing panel, an impartial panel, of the board of the AGLC. The hearing panel is an administrative tribunal, not a court of law and is not bound by formal rules of evidence. At the hearing the AGLC’s regulatory division presents its case, including witnesses. The licensee and members of the hearing panel are entitled to ask questions. The licensee then goes through the same process, including presenting witnesses and responding to questions. Both parties are allowed a summation at the end of the proceedings, after which the hearing panel takes a recess to make their decision.

The proposed amendment still gives licensees the right to ask for a board hearing. This just signals to the courts that the Legislature intended for the board to have wide jurisdiction over gaming and liquor activities in the province. It makes sense that those with the most knowledge over gaming and liquor operations would be deferred to in these instances. This is not shirking of responsibility that’s being portrayed.

In conclusion, Mr. Chairman, Bill 14 is intended to do a number of things, not the least of which is to ensure the integrity of gaming and liquor activities in Alberta. I believe I have addressed each of the specific concerns that were raised by members opposite in debate, and I look forward to your further comments on Bill 14.

THE DEPUTY CHAIR: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you very much, Mr. Chairman. Well, I’m glad to be able to get into Committee of the Whole on Bill 14, the Gaming and Liquor Amendment Act, 2002. Of course, this is our opportunity to go clause by clause, even word by word through the bill, and I would like to go through and talk about questions or concerns that have been raised in a number of areas.

[Mr. Klapstein in the chair]

Let me start out by saying that I appreciate the minister attempting to answer the questions or issues that were raised previously and also to answer what seems to be a query from him. In most cases we do understand what the government is doing; we just disagree with it. Certainly we’re entitled to disagree with the choices that are being made here.

9:40

As well, there’s a great deal of mistrust from the charities that I work with and, I’ll admit, from myself about where the directions and the changes in directions are going as far as gaming in this province. The minister frequently talks about his commitment to the charitable gaming model in Alberta, and I understand what he is saying. I hope he understands what I’m saying, because I see steps away from a charitable gaming model. I see charities getting as a

percentage of the whole less and less money, not more and more money. I appreciate his taking the time to answer each of the questions that we did put forward. Nonetheless, I will continue to raise the issues and concerns that have been brought to me.

I understand that there were three approaches to this bill, and I did receive a briefing from the minister and his staff. He did not allow us to keep the briefing documents, as is usual when a critic meets with their minister, so I did the best I could in taking notes very quickly in going through an awful lot of information. Occasionally I miss something, and I'll admit to that. Nonetheless, in some cases I want to get the question and the answer on the record.

When I look at section 2, which is amending section 1(1), what we've done here is expand what the facility licence can do. Previously we had: a licence "that authorizes a person to operate a facility for gaming activities that are authorized by a gaming licence." Now we're being more expansive and more particular: "gaming activities that are authorized by gaming licence" and "provincial lotteries." So there has been an expansion of what that licence covers at this point. This may well be a housekeeping reason, that perhaps the legislation needed to capture operators of the Mac's store and 7-Eleven and things that were operating provincial lottery ticket sales. Perhaps that's the reason for it. I'm sure the minister can answer that.

I still have a suspicion about capturing the VLTs and slot machines and any other electronic form of gambling under the terminology of "gaming terminal." I'll admit that my suspicions are around gaming rooms. Now, there's no mention in this legislation about gaming rooms, but I know that they were raised during the consultations. I know that they're hovering around there in the background, and I'm not hearing anything more specific about them. Part of my suspicion was around changing the terminology to get away from the stigma that was attached to VLTs, in particular. Also, if you change the terminology, perhaps certain stigma and also certain rules don't apply to you anymore if you're talking about a different term for something. Certainly this government is expert at spinning and giving a different interpretation to language than it previously held. So that's part of where my concern around "gaming terminal" is coming from. I hear the minister saying that this is to correct something in legal language to allow enforcement officers to better deal with this, but I just want it on the record that I'm still deeply suspicious about whether this is to allow something to do with gaming rooms and allowing the proliferation of these machines in a gaming room.

I'm still under section 1(1). In the amending act it's section 2(c): repealing clause (k) and substituting the following. Essentially what we're doing is adding in "other than a person specified in the regulations." Now, this used to refer to an employee or an agent of the commission or to any other person, so I'm wondering: what's the specificity of this? Again it may just be housekeeping, and that's fine. Let's just get it on the record.

Now, when I look at section 3, which is amending section 9, this is where we are striking out the five-member board and creating a seven-member board. My memory from the briefing was that quite a bit of time was spent on that and that it was to give better representation and control, but I'm wondering if the minister could answer what positions got added. What was anticipated there that would be covered that wasn't before with the five-member committee?

I also note the department's approach in section 3 at(1.1), where the Lieutenant Governor is appointing

the following as members of the board:

- (a) the person holding the position of Deputy Minister . . .
- (b) the person holding the position of chief executive officer of the Commission,

or that person could be both of those. This is, I think, part of what

is supposed to be a control function, and I'm just wondering why the act anticipated it would need more control, particularly here. This may well be referring back to issues that were raised by the Auditor General. Fine. If that's where it came from, I just want to know.

Now, I didn't have any questions that were raised on section 4 or 5, and 6 again is referring to the appointment and delegation to that deputy minister or the chair of the board.

In section 7 we're adding in application fees. Previously it read, "All fees for licences and registrations provided by the Commission." Now "all fees for licences" is replaced by "all application fees, all fees for licences." So that's being added into what's payable to the commission and deposited into the commission's accounts. I'm just wondering why that got added in here. Was it missed before and therefore extraordinary measures had to be made to account for the auditing of those application fees? I'm assuming this is housekeeping. I'm just looking for confirmation on that.

Then we have some switching around, where sections have been deleted and they're put in differently.

We have quite a bit of new additions under section 10, which is amending section 26(2). It's talking about "the Commission may pay from the revenue deposited into its accounts under subsection (1)," and what's been added into that is:

- (b) the amount the Commission pays for liquor,
- (c) an amount for deposits and charges relating to containers under the Beverage Container Recycling Regulation . . .
- (e) the Commission's operating expenses, including the portion of the operating expenses of the Western Canada Lottery Corporation that is attributable to the Province of Alberta and expenses that result from business decisions by the Commission that require additional expenditures, and
- (f) any amounts determined by the Commission to be paid as commissions to gaming licensees at whose gaming activities the Commission conducts and manages provincial lotteries pursuant to section 43.

We've got four new sections that are added in there, and I'm seeing something here. I guess I'm looking for clarification. When I look at the budget documents that are coming out this year and I look at what's happening here, it looks like we used to have figures netted out when they appeared in the Gaming ministry's budget, and this is now starting to look like we're going to have both sides reported and a flow-through. So I'm looking for confirmation on whether that's the expectation here; in other words, all moneys received would show as revenue coming in, and then all expenses going out would be shown. Generally, we haven't seen these kinds of numbers before, so that may well be what's happening. Okay. Again let's just get it on the record.

9:50

Section 12 generated a fair bit of comment from myself and others during the debate in second reading. This is about minors in a licensed facility. Again I'm wondering how any of this could relate to these gaming rooms that are anticipated eventually to be opening up in Alberta. I understand that this is trying to keep a minor out of any place where there's electronic gaming going on, so any of the gaming machines; in other words, slot machines and VLTs. In particular at this point that puts us into a casino or a racing entertainment centre. Racing entertainment centres at this point are connected only to racetracks, but I'm wondering if there's an anticipation there that they would show up in some other place as well.

When we look at the duty to an intoxicated person, which is still under section 12, 37.2, I'm wondering what resources are being committed here. This seems to be an add-on or a new expectation of gaming staff, because of course in the past people were not allowed to drink in gaming establishments. That's been changed

over the last – well, I've been here six years, so it was changed a couple of years before that, but this is the first time we've had this expectation put into law on to the gaming workers. So again I'm looking to what resources are going to be made available to them for training. The minister mentioned the training that's offered to the liquor dispensing staff that one would expect in bars and restaurants. Is that the training that will then be offered to these gaming staff as well? Maybe they're already doing that, but I'm wondering where the resources are committed.

As well, where are the resources on monitoring and enforcement for this? It's easy for the government to put rules and regulations into a piece of legislation, but if there's no commitment to the resources to monitor what the rules are and to enforce them when there's an infraction that is determined through the monitoring, then we have nothing. We have a rule that nobody ever makes sure anyone is held to account for, and that doesn't move us along at all. It actually eventually encourages breaking of the law: nobody's going to catch us, so why bother? So what is the commitment of the Gaming ministry to monitoring and enforcement on any of the issues that are turning up in this legislation?

Under section 13 we're talking about gaming workers. Now, I had asked the minister a question sometime in the last three weeks about VLT technicians being classified as inspectors to be able to go into gaming establishments and fix the VLTs. The title of inspector or the classification of inspector put them in a position where the staff of the gaming establishment should be helping them, where they could require them to help them rather than to interfere with them, which sometimes is the case. Interestingly that seemed to come also with a requirement that the VLT technicians are considered essential workers. I found that very curious, that someone who fixes an electronic gaming machine, a VLT or a slot machine, is so essential to the running of government or to – what? – law and order that they have to be determined to be an essential worker. I'm looking for further explanation on that. I don't think we should be taking away a person's right to strike because the government relies on them to suck money out of a machine, and I think we need to be very careful about those designations.

There is some housekeeping and I think probably wanted legislation about the issuing of retail liquor store licences to applicants. The business has to be separate from the other business, and that's getting around those box stores that offer very high volume liquor outlets and are causing some amount of problem to local small businesspeople.

[Mr. Shariff in the chair]

Now, one of the issues that was raised with me – and I'm looking at section 20 in the bill, which is repealing and substituting section 80 of the original act – is around the markups on the liquor and how the commission sells liquor, the delivery of it, and that sort of thing. I have a number of small businesspeople that might own one or two liquor stores in Edmonton-Centre. I'm sure most MLAs do at this point. This businessperson was very frustrated with what he perceived as a bottleneck in that flow. He felt that it was because it was a monopoly, which then sort of didn't play fair, didn't allow the flow through and back of what should be happening here. He felt that the privatization had indeed increased the variety of what was available, and he was very supportive of the free market and open competition for the retail and import, but with only one warehouse and everybody having to work through that warehouse, that created a monopoly. He felt that it bottlenecked it, that even if there was a monopoly in a situation, it should then be forced by the government to not be allowed to act like a monopoly. It had to be more fair and

more willing to work reasonably with the suppliers. He felt that because this was a monopoly, it had no competition. You know, like Air Canada, it just made the rules, and you had to follow them whether they were reasonable or not, whether it was good for your business or not. He felt that that meant there was no flexibility.

For example, he has been told, you know, that he can only place an order on a Monday or a Wednesday. Well, I mean, in downtown we have a lot of hotels, the Convention Centre even, and they can get last-minute bookings. What if he got a booking on a Thursday? If it had happened on a Friday, well, he's now missed his ordering date, and it sounds like working through this warehouse, that's it; sorry. He's just not allowed to order because he's now missed his ordering date, and it's that kind of inflexibility that he's finding very frustrating. He feels that in some cases that's why we have antitrust laws that are available federally and that kind of thing should be looked at provincially. So that's pertaining to that section.

A lot of the rest of what's in the bill, especially when we get into the liquor sections, is housekeeping, and I'm presuming that the sections about appointing a receiver and continuing to operate the business and/or requiring that someone that's holding proceeds should be passing those proceeds on to another charity are just to keep everything moving and operating and to allow the charities to continue to have access to the activities.

I'm going to run out of time again, so I may look to rise again. I think we do want to preserve the unique charitable gaming model in Alberta. That's very important, but I think there have been choices made in the last 10 years that's made that more difficult.

Thank you very much, Mr. Chairman.

THE DEPUTY CHAIR: The hon. Minister of Gaming.

MR. STEVENS: Thank you, Mr. Chairman. I'd like to address some of the issues that were raised by the hon. Member for Edmonton-Centre. The first comment that was made is that the charitable model doesn't seem to be providing the returns to charities. In fact, if you take a look at what's happened over the last several years, the amount of money that the charities are earning as a result of licences for casinos, bingos, and raffles has gone up dramatically. While I don't have the information specifically in front of me, I believe that for the year ended March of this year, we'll probably find that it will be something in the order of \$190 million that they have earned. If you go back to March of 2001, you will find it's \$183 million. If you go back five or six years, you will find that at that point in time the charities were earning something in the order of \$95 million to \$100 million as a result of those particular licences. So in fact there has been a dramatic uptick in the amount of money that has been generated for charities that avail themselves of casino, bingo, and raffle licences.

10:00

Now, with respect to some of the specifics, a comment was made with respect to section 2(a), dealing with the definition of facility licence. This section is amended to recognize that provincial lotteries – that is, slots and VLTs – are also conducted by the government in licensed facilities. For example, racing entertainment centres can only conduct provincial lottery schemes; that is, slot machines.

A comment was made with respect to the definition of gaming terminal, which is replacing a video lottery terminal, if I recall. This particular definition once again deals with a judicially recognized flaw. The hon. member referred to gaming rooms or VLT gaming entertainment rooms that are part of the policy that was brought in in the last few months. I would encourage the member to look at the

policy of the AGLC. That is where you will find the particulars with respect to gaming rooms. It is there in extensive detail, and it's just simply a matter of going to the AGLC web site, where you will find all I would ever know about what is expected of the VLT gaming entertainment rooms.

With respect to 2(c), "gaming worker," this new definition will include workers paid to assist facility licensees, slot cashiers. The current definition does not address these workers, so I think in the scheme of things it is a technical type of definition change.

There was a question with respect to 3(a), which is increasing the number of the board from five to seven. Quite frankly, the board at five works very hard. They meet on a regular basis. There are a number of hearings. What we want to do is expand the board from five to seven in order to share the load more evenly and also to ensure that we have a broader skill set of people who are on the board simply by virtue of adding additional parties. It seems to me that there will be greater efficiency in dealing with hearings and it will provide for better representation.

There was a reference to 3(b). That particular amendment entrenches the current roles and responsibilities of the chair, CEO, and deputy minister, so it's a reflection of what is. The same is true of the question with respect to section 6.

The application fee that is being added in 7(a) would refer to something, for example, in the new policy with respect to casinos. There are application fees associated with that, so the specific concept of an application fee is different than licence fees and is from my perspective technical in nature to simply reflect that aspect of the business which has an application fee as opposed to licence fees.

Under section 10 this particular provision basically reflects the fact that the Alberta Gaming and Liquor Commission operates as one entity dealing with both liquor and gaming activities. In this government the AGLC is considered a commercial enterprise and as a commercial enterprise should have the ability to make business decisions so that you can make expenditures to generate revenue or to protect current revenue streams. The Auditor General has in one part of the change questioned whether payments to charities of a share of the slot machine revenues constitutes a valid retailer commission. So we're putting in there very clearly for the Auditor General that that is a permissible payment.

There's another one dealing with the Western Canada Lottery Corporation. The AGLC incurs operating expenses for ticket lotteries that it conducts as a partner in the WCLC, so that is why that particular change is in there.

Reference was once again made to gaming rooms in section 12. The change here deals with minors in licensed facilities and the wording for that. There are specific ones that are set out, a casino and a racing entertainment centre, where minors may not enter. Otherwise, it's by licence condition. The fact is that it's going to continue to be ongoing policy. VLT gaming rooms will by nature involve electronic machines which necessitate 18 or older as a condition. So that's going to be the case. There is the possibility that there will be gaming facilities other than casinos, such as bingo halls or perhaps some kind of facility, in the future where it would not be objectionable to allow minors in. The hon. member knows that there are bingo halls in church basements, for example, where minors are allowed, and we certainly intend to continue that type of practice.

With respect to the resources that we're going to devote to allegedly intoxicated patrons of gaming establishments, we have inspectors at this point in time who are trained to observe these things. It's a matter of expanding their scope to include this new provision. They will as a matter of routine be checking that out. As

the member rightly noted, there are training programs both for the liquor industry and the gaming industry which address these issues, and we intend to continue those into the future to ensure that all, in this particular case, gaming workers are trained in the area so that they understand their responsibilities.

A comment was made with respect to section 13, and that particular provision basically is as put in. Most gaming workers are hired by facility licensees, who should take responsibility for ensuring that they're registered. It's really a question of where you put the onus. We're saying to the facility licensee under this change that they should ensure that the people who work for them as gaming workers in fact are registered.

Reference was made to the contract involving workers at the AGLC. There is a history with respect to the contract of the AGLC and its predecessor to have a no-strike provision with respect to their workers. It's a part of the negotiation. It's not a matter of legislation. It's something that's negotiated. There's a history there, and it continues to this date.

In section 16 this is basically current policy which has been moved from regulation to legislation. So if you look in the current regulations, you'll find this wording.

In section 20, dealing with markup, all liquor in Alberta must be sold by or on behalf of the commission, and the commission imposes a markup or profit on the liquor. That is the way it is done, so it is current practice. The Supreme Court of Canada has acknowledged that a markup is valid and within the authority of the province, so this change is being done in order to clarify for anyone who might doubt exactly what we are doing that this particular process is in accordance with what is permitted within the jurisdiction of the province by way of a markup.

10:10

Reference was made to a bottleneck in the system, and I must say that that's news to me. At one point in time in the past, a distant past before my time, there were warehouse issues. Connect Logistics is the private company that now has the contract, and I am told that they have done such a good job that there is faith within the retailer group that they can place their order and get delivery of that order on a timely basis. So if your constituent has a concern, I'd be happy to hear about it, because truly that is the first one that I've heard of at all indicating that there is any issue whatsoever with respect to warehousing.

Lastly, the provision with respect to receiver/manager of the casino in the event of a problem with respect to licensing is an important one. As the hon. member knows, our charities plan ahead some 18 to 22 months in order to have a licence. There are many workers who work there, and it would be indeed very disruptive and very damaging to many people if in fact we could not in appropriate circumstances step in to operate the casino, for example, in order to maintain those licences, in order to maintain that employment for the benefit of the charitable model.

THE DEPUTY CHAIR: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thanks. I just want to raise three quick points that I didn't get to before and one in response to the minister's comments. The first is around the expansion of the facility licence and who is able to get that. Now, I understand that in fact this is actually turning up in the regs, but it is connected to what's happening here. What I'm getting very clearly from the organizations – and I think this is supported by FABA – is that the charities really want that control if they are the facility licensee. They don't really want to relinquish that control to a landlord who can then decide to turf

them or to bring in games that they don't approve of or any number of other things. I can see that the minister anticipates that this would be a partnership, but what I'm getting from the groups is that they're very unhappy about the thought of losing control of what's happening here.

The second issue I wanted to raise is that the minister pointed out – actually he was responding to my points around the social costs of gambling – that there is \$47 million of a \$1.1 billion budget that goes to the treatment of problem gambling, plus an additional amount of money that's going to the Alberta Gaming Research Institute. I appreciate that there is funding for both of those two. I feel very strongly that the funding for that should be tied as a percentage of the total amount of money in the lottery fund. I think there is much more potential there for AADAC to be treating people that they're not even aware of at this point because their resources are limited. If we're making that much money, I think that AADAC in particular needs to be tied as a percentage of the whole. If we're going to be investigating or researching the effects of gaming and perhaps problem gaming, I would argue for at least a percentage for the Gaming Research Institute.

The third question is the ongoing disagreement between the minister and I about the charities getting more money. Once again – I'm sure that the minister's hearing is acute, and I can see that he's got his headphone in – I'm saying very clearly that the percentage of money against the total that the charities are receiving has decreased, and I don't think he can come up with the figures that are going to show me different, because I know different. The percentage of the whole – I mean, 15 years ago charities were taking 80 percent of the pot. When we brought in the VLTs and all of a sudden it skyrocketed to a billion dollars a year, charities aren't getting 80 percent of that anymore. They're down to, like, 6 percent of the total take, and my argument here is that there are expectations, certainly from the government, who has downloaded a number of programs onto the charities and then expects them to do it. They don't have access to as much money as they need to be able to do it. So that's my argument here.

I can see there are other people anxious to get into the debate here, so I will give way to them, but I wanted to raise those last couple of points. I look forward to further debate. Thank you.

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

MR. MASON: Thank you very much, Mr. Chairman. I want to raise one particular question now and get the minister's comments, and it has to do with section 21, which repeals section 91 of the current act and replaces it. It talks about the suspension and cancellation of liquor licences. Now, this has been a matter of some concern I know in Edmonton, and I imagine it may in fact be a concern in parts of Calgary or perhaps other parts of the province, and it has to do with how the board deals with problematic licences. I'm thinking of a number of hotels. There are a couple in particular in the city of Edmonton that continue to be a serious problem for the community. There are a very large number of calls for service to the Edmonton Police Service at these premises, and there are cases of drugs being sold, constant fights, constant overserving, prostitution. There are any number of ongoing difficulties.

Some of these premises have been developing a very long list of calls for service, in some cases convictions – I'm not sure how many – against anybody who might be an employee of the hotel but certainly against people who are patrons. There has been a real concern that the board considers these things to be just routine, a matter of doing business. The city of Edmonton has attempted to use its licensing power – and it does have the power to license

businesses, including special business licences for the serving of tobacco or the serving of liquor or so on – to get some leverage with these premises in order to get them to clean up their act, but it certainly doesn't have the same powers as the Gaming and Liquor Commission.

When I sat on the executive committee of city council several years ago, we had some officials of the Gaming and Liquor Commission before us, and we questioned them quite closely on the policies that they follow with respect to this kind of thing. It appeared to us that they were extremely reluctant to lift the licences of these establishments even when there was a long, established history of problems with the operation of those premises and violations in many cases of their licence issued by the province. So I would be very interested under this particular section to hear from the minister how he sees this being interpreted and what role he plays relative to the policies of the Gaming and Liquor Commission and whether or not he's able to assist communities, particularly some inner-city communities, to try and clean up their neighbourhoods.

Now, we have a situation in those communities where these premises, particularly two or three hotels in the city, create a very strong locus of decay because they harm other business activities. The clientele that is drawn to them and the condition the clientele is sometimes in, the activities the clientele is involved in turn away customers, so it brings down the value of the commercial property in the area. They are related to social problems. Very often when we have break-ins in communities, they are young people whose parents are either gambling or drinking in these establishments during the day. So these establishments bear, at least in the community's view and in my view as well, a significant responsibility for some of the urban decay that these communities are battling. They significantly impact communities, and it doesn't seem like the Gaming and Liquor Commission takes what I would say is its community responsibility seriously enough.

10:20

They have the powers, Mr. Chairman, to force these businesses to clean up their act and become good community citizens, yet they don't seem to use them. So I would certainly be interested in the minister's comments with respect to the application of the section dealing with the suspension of licences. It states that there are a number of things that can be done: issuing a warning, imposing conditions on the licence, imposing a fine and refusing to issue or reinstate a licence until the fine is paid, suspending or canceling the licence. It can have an investigation where there has been a charge but not necessarily a conviction. So I think that I would appreciate hearing from the minister in respect to this matter.

Thank you, Mr. Chairman.

THE DEPUTY CHAIR: The hon. minister.

MR. STEVENS: Thank you, Mr. Chairman. Briefly, I can say that a member or members of the AGLC have worked with other stakeholders in the city of Edmonton, for example, the city police, city council, business organizations, dealing with issues associated with alcohol and alcohol serving and so on and so forth. This has been going on, to my knowledge, for some time. I believe they meet monthly. So, for example, last year when there was an issue in this city with respect to Canada Day, it wasn't a matter of the AGLC getting involved after the fact. They'd been working with the members that I've alluded to and perhaps others prior to that point in time. So they're very involved with this particular community associated with issues that may arise as a result of the mandate of the AGLC, which of course is gaming and liquor.

With respect to this particular provision generally, obviously it deals with the suspension and cancellation of licences by the board where there has been a transgression. In my response to Edmonton-Centre I indicated that you can go onto the AGLC web site and find out exactly who has been charged and what the penalties are. I can tell you that the AGLC takes their responsibility very seriously. They have a number of inspectors who are out there on a regular basis. It's not a matter of just simply notifying the proprietors that they're there. These folks do surprise inspections. They do surveillance and all of that type of thing.

I'd also point out to the hon. member that under the provisions of this legislation the city of Edmonton police are also inspectors, so any powers that are associated with this particular legislation can be used by the city of Edmonton police in enforcing the kind of situations that may arise in your neighbourhood or other neighbourhoods in the city. From my perspective, the AGLC take their responsibilities very seriously. They are a good corporate member in this city and do work with others to try and address the kinds of issues that you have talked about.

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

DR. MASSEY: Thank you, Mr. Chairman. I'm pleased to have an opportunity at the committee stage to make a few comments and ask some questions about Bill 14, the Gaming and Liquor Amendment Act, 2002. I would return to the comments about the name change and whether it isn't an attempt to take away from the language usage terms that many Albertans find inflammatory, like video lottery terminal. The government has a history of trying to use language to its advantage. We learned that in health care, where an overnight surgical facility replaced hospital and where budget cuts were replaced with cost containment. So the manipulation of language I think is important, and I listened to the minister's explanations, and I still can't say that I understand why the change has been made in the act that the definition of video lottery terminal has been removed.

A couple of general comments about the section that deals with minors. I applaud the government for having the section in there, as I do with the section with gamblers who are intoxicated being prohibited. But the whole notion of enforcement has been raised, and again I'm not certain that I feel very confident that the problem is going to be adequately dealt with when it comes down to someone working in an establishment actually having to take action to remove either a minor or someone who has been too long at the bar. I wouldn't mind the minister making some further comment rather than what he has already done in terms of those two situations. It seems to me that if you have a worker who is being paid minimum wage and is being fed some fairly substantial gratuities from a gambler who has been too long at the bar, then it's not very likely that any action is going to be taken against that gambler.

I'd like to drop back to amendment 14 and 15, where "video lottery" terminal is replaced with "gaming" so that sections governing the sale, advertising, and distribution of these gaming terminals are consistent and also the section prohibiting legal action in the case of removal of the gaming terminals is reworded. I think we run into the problem here that given the new gaming terminal descriptor, it's going to be difficult to determine if we are selling slots or VLTs or any other new piece of equipment on the market, and I think that that's unfortunate.

Sections 17 and 18 are fairly straightforward: you shall not water the booze with water or any other liquid. If you look under I think amendment 21, the board has the right to investigate, suspend, and cancel if a licensee is charged or convicted with offences under the

act, or action can be commenced if a licensee or registrant acts contrary to the public interest or tarnishes the good name of gaming in Alberta. The increase in fines there from \$100,000 to \$200,000 is probably minimal in the cases where it would be applied, but I think it's a good move. Fines of \$200,000 may seem minimal, but if multiple charges were laid, it could be viewed as a real deterrent, so I think we'd agree that that's a good amendment.

10:30

I guess the underlying question with section 23 and the changes that are made there is that the section is repealed and rewritten to limit the sanctions in the event of a licensee becoming ineligible, and the actions are going to be limited to the actions of the licensee or registrant or an employee or associate of the licensee or registrant. Managers, corporate employees, agents, shareholders, directors, officers, and employees of corporations are no longer explicitly included in this subsection, and it would seem then that the intent of this is to limit corporate liability. If managers and CEOs aren't associates, I guess the question then is: who does qualify? So I think the purpose of amendment 23 could be made clearer.

Section 25 provides an additional 30 days before having to hold a hearing with respect to the seizure of liquor or gaming terminals, et cetera.

Well, maybe that's far enough for me to go right now, Mr. Chairman. I think there has been some discussion and probably the privative clause of the legislation needs to be debated even more, but that may be appropriate at another time, so I'll leave it there.

Thank you, Mr. Chairman.

[The clauses of Bill 14 agreed to]

[Title and preamble agreed to]

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

HON. MEMBERS: Agreed.

THE DEPUTY CHAIR: Opposed? Carried.

Bill 20 Justice Statutes Amendment Act, 2002

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

MS BLAKEMAN: Thanks very much, Mr. Chairman. I'm pleased to be able to get some time this evening to speak in Committee of the Whole to Bill 20, the Justice Statutes Amendment Act. When I had spoken to it in second, I wasn't able to complete my comments, and I'm going to take advantage of the time here tonight to raise some more of the issues that I had intended to raise during second.

Since we have an opportunity in Committee of the Whole to examine things in a more detailed manner, clause by clause, word by word, I'm going to look at doing that in some cases here. Essentially I'd like to do some cleanup from when I spoke in second reading on Monday, April 8, some additional comments and notes very briefly on the Survival of Actions Act and Fatal Accidents Act and a possible amendment that I'm considering around that; secondly, to look at the sections that are being proposed in this Bill 20 on victims of crime and the changes to the Limitations Act and to the Public Trustee Act and Civil Enforcement Act.

As I think most people are aware, there's certainly been quite a bit of opposing views on Bill 20, particularly around the amendments

to the Fatal Accidents Act and the Survival of Actions Act. Certainly since I've spoken, I've heard from a number of people, including a former Liberal MLA who is now working in this area and took some umbrage at what I had said, but I still stand behind my comments that I made during second reading.

One of the things that I think should be made clear here is that when the courts are dealing with a tort claim or claims where someone has suffered a loss as a result of someone else's wrongful act, the courts do have jurisdiction over punitive or exemplary damages. I didn't intend to convey in any way that I didn't believe they should have that ability; they do. They certainly don't use this ability routinely. They use it sparingly, but when they do use it, they do use it to signal the court's very strong disapproval of something that they consider particularly reckless or egregious by a wrongdoer.

I'm very comfortable and the Official Opposition is very comfortable that the court retains the authority and jurisdiction to award those punitive costs. That's absolutely appropriate. I think where I'm less comfortable is in extending that kind of punitive award in the fashion that the existing Survival of Actions Act does now. That's where I'm not comfortable. You know, the courts interpret the legislation that we put in front of them, and if we don't write clear legislation, we put the courts in a position where they have to interpret. Sometimes they make it clear that they feel that we should have done a better job.

I don't know if that is the case with what happened during the Baddeley case here. I'm not a lawyer; I can't comment on that. But it's certainly back in our court. I think we need to do the right thing to make sure that we are absolutely clear on what we intend the courts to do around this, and that is that it should not be used for people who are not dependants of the person who's died as a result of a wrongful act. It should not be used for those people that aren't dependants to get themselves a windfall in some way. If they wouldn't have regularly benefited from the earnings of the person who's deceased, then why should they be able to do it after death? There are just too many unknowns there and too many things that have to line up to make all of this come true. It just doesn't sit well with me. So I think what we have to do is make clear legislation and give judges the tools to do the work that they do so well.

One of the last issues that I want raise on these two bills is that the relationship language has not been updated here. I know that we are considering an update and a clearer definition in a lot of the family law statutes. Nonetheless, I felt that when we had this bill open, that clarification should have been updated and made clearer here. We had the opportunity to do it right, and we didn't. Well, sorry; we're in Committee of the Whole, and we still have an opportunity to change that. Maybe I can talk the minister into doing it. This legislation still says "cohabitant," and that's not good enough in this day and age, particularly where this is legislation that is allowing dependent people to look after themselves. Why on earth would we be denying that to anyone that's in a same-sex relationship? They want to take advantage of what's there; they want access to the same remedies and benefits. Why on earth would we be saying no? So that's a disappointment there.

Now I'd like to go on. The other thing that I am going to bring forward while we're in Committee of the Whole is an amendment that's restoring the five-year review of the amounts of damages in the Fatal Accidents Act. I can talk more about that at the time I introduce it, probably the next time I stand during Committee of the Whole on Bill 20.

I think this government does not have a good track record in going back on a regular basis and reviewing legislation. They tend to let it go for a very long period of time. As we've seen in other examples, if we can get something in place, if it's a regular review, we're

able to catch it and do a reasonable increase in amounts whether it's a fee or a licence or an award such as we're considering here. That's better done on a regular basis so we don't end up with those 20-year gaps in things and then a huge increase that really raises eyebrows because we hear that something has doubled or tripled or something like that. That does cause concern in the general public when they don't understand what's happening. If we're trying to keep pace, you know, link it to the cost of inflation, or at the very least we need to put that five-year review back in. In fact, that's part of why we're considering this now, because a five-year review has come due, and that's very appropriate.

10:40

I want to go back and look at the interrelation between the Limitations Act and the Public Trustee Act. I think what's happening here is that we're setting up a situation where minors could be squeezed or pressured; coerced I think might be too strong a word. But I'm wondering, with the changes that are anticipated here, who benefits from these changes. Really what we're looking at is a change that's essentially a new definition of a "person under disability" and a new provision dealing with minors. I think that it squeezes children because a potential defendant isn't prepared to wait for a child to achieve their majority, so what they're able to do is make notification to both the public trustee and to the guardian that they wish to commence an action, and then it's incumbent upon one of those two to respond to that. I agree that there's nothing more fundamental to our system than the right to sue, but I really don't think this should be changed or bridged or overridden when it comes to children without very strong and compelling reasons. That's my issue here. You need to be fair with the Limitations Act.

Another lawyer has raised with me the fairness of a limitations act if you're now expecting someone to come back 20 years later or 15 years later and be able to have witnesses with clear recollections of what happened or people who kept notes that couldn't be tampered with or were under lock and key in some way. The courts do tend to give the benefit of the doubt, to award the discretion to the people who are bringing the suit to the plaintiff, and this lawyer felt pretty strongly that that just wasn't fair. I mean, you just couldn't expect someone to mount a reasonable defence that many years after the fact, and he was supportive of these changes. I think we have to be very cautious in balancing the best interests of a child against the right of someone to sue or to be a defendant in a trial there. So that's what's happening in the Limitations Act.

What's happening in the Public Trustee Act is that there's a proposal to accommodate, obviously, this other amendment in the Limitations Act, namely the provision for accelerating the limitation date for a minor to sue, and I do see them as a package with the Limitations Act amendments. I'm looking to the government to explain to me or to give arguments on why they think it's reasonable to be putting these two changes in place with the Public Trustee Act and the Limitations Act. It is allowing pressure to be brought against a minor, essentially for the minor to be squeezed about their willingness to go to court prior to their coming of age. Normally it would have gone until they were 18, and this is allowing a provision where they could go earlier than that.

There is a requirement that both the public trustee and the guardian are notified, which is, I suppose, foreseen as being a balance, a way of making sure that nobody takes advantage of this situation, but there's deep concern here. So those are my concerns being raised about the Limitations Act and the Public Trustee Act.

The rest of my notes on that Limitations Act. Who was consulted with around these changes? I'm wondering if there is support for this change from the Alberta trial lawyers' association or the

Canadian Bar Association or the appropriate sections in the northern and southern Alberta sections of the Canadian Bar? As well, was any work done on this by the Alberta Law Reform Institute? Again, perhaps even the government would consider delaying this particular part until the fall or taking it right out and bringing it back separately, because I think there are ramifications here that we need to consider carefully.

The Provincial Offences Procedure Act. This is interesting. This is around moneys that go to the victims of crime fund. At this point 100 percent of the Highway Traffic Act fines go to the municipalities, and the province is interested in keeping a portion of this revenue to pay itself for its administrative offences. So if there's an increase or if an increase isn't anticipated here, the old amount would go back to the municipality, but the difference between the old amount and the new one would be kept by the province as its administrative costs.

I'm wondering why there has been no mention of sections 8 and 9 of the Victims of Crime Act. Section 8(1) says:

If a fine is imposed on a person who is convicted of an offence under an enactment, the person must pay a surcharge unless

- (a) the offence is a contravention of a municipal bylaw or a Metis settlement bylaw, or
- (b) the offence is excluded from the application of . . . the regulations.

We look at section 9(1):

The Victims' Programs Assistance Fund is continued as the "Victims of Crime Fund".

(2) The following must be deposited into the Fund, and that includes "money collected from surcharges under this Act."

There are two regulations. We've got victims' benefit regulation 201/97 and victims' program regulation 135/97. Nothing in here exempts or excludes Highway Traffic Act fines from the surcharge, so why did the mover of the bill sort of skip over that? You know, when this government is supposed to be on record upholding this victims of crime fund – in fact, it runs underneath this minister's ministry – why is this being skipped over? A portion of that money or the money as spelled out in the act should still be going to the victims of crime fund. The money in question is intended for the victims, not for the province.

Now, I understand that the province is looking to recoup its administrative costs, but I don't think it should be doing that on the backs of or instead of victims of crime. There was a lot of work done to put that fund in place, and I don't think it should be overruled because the province is feeling hard done by for having to administer the cash cow of photo radar, which is what this is about. There are just a lot more fines being levied and tickets being given out because of photo radar. [interjection] Yeah, that is what it's connected to. The province has to administer this. The Member for St. Albert isn't believing me, but I'm sure she can check with her colleague the Minister of Justice to find out that in fact that is what this is about.

You know, when the victims of crime fund was brought forward in the Assembly in 1996, the then Justice minister, Brian Evans, said: "Finally, it creates a fine surcharge on provincial statute offences to help fund programs for crime victims." At the time questions were raised about what the net dollars to victims might be. The legislation was supported by both caucuses. Later in debate the same minister observed: "We've come to the conclusion that we don't have nearly enough money to deal with the kind of index of

awards that we are proposing to put into force and effect." So why now would we be leeching off even more of that money so the province can pay itself for having sent out notices to collect fines from photo radar?

10:50

Now I'm down to a couple of minutes to talk about the Civil Enforcement Act. While everything that I have seen under here for the most part is housekeeping or updating or innocuous, nonetheless I think that we need to be aware of this, because of all the bills that are being changed by this Bill 20, which is an omnibus bill, the items under the Civil Enforcement Act are the most likely to affect the most number of Albertans. Why? Well, because anyone that's a creditor is affected by this act, and that's basically every Alberta business, because at some time every business is going to be trying to collect on the funds that are owed to them. The rest of us as consumers also have an interest in making sure that this process to recover funds is fair and gives us adequate opportunity as a debtor to discharge the debt before our property is snatched away from us and sold to pay off the debt. So the Civil Enforcement Act deals with a mechanism to recover money or in some cases objects to which you are legally entitled. This is the largest part of Bill 20, where all the changes are being made to civil enforcement.

I'm not going to have time to go through the points that I wanted to raise on these issues, so rather than starting into it and having to stop, I think what I'll do at this point is adjourn debate on Bill 20, and we'll return to it another day.

So thank you very much, and I do move that we adjourn debate on Bill 20.

[Motion to adjourn debate carried]

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

MR. ZWOZDESKY: Thank you, Mr. Chairman. I would move that the committee now rise and report progress.

[Motion carried]

[Mr. Shariff in the chair]

MR. KLAPSTEIN: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 7 and Bill 14. The committee reports progress on Bill 20.

THE ACTING SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed? So ordered.
The hon. Deputy Government House Leader.

MR. ZWOZDESKY: Thank you, Mr. Speaker. I would move that the Assembly now stand adjourned until tomorrow at 1:30 p.m.

[Motion carried; at 10:55 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]