

Legislative Assembly of Alberta

Title: **Wednesday, May 1, 2002**

8:00 p.m.

Date: 02/05/01

head: Committee of Supply

[Mr. Tannas in the chair]

THE CHAIR: Good evening. I'd like to call the Committee of Supply to order.

head: Main Estimates 2002-03

Innovation and Science

THE CHAIR: I would ask if there are any comments or questions to be offered with respect to this estimate and call on the hon. minister to begin this evening's deliberations.

MR. DOERKSEN: Well, thank you, Mr. Chairman. It is a delight to be here on May 1 on probably the first nice day in spring. I just have to acknowledge the huge number of employees of Innovation and Science who have joined us tonight, and I want you to know that they are not here due to any coercion on my part or anybody else's. They actually wanted to come and visit the Legislature. [interjections] When you get to work with such a fine gentleman like myself, wouldn't you come too? Anyway, I am pleased that they're here to join us, and I hope they find some value in what happens here tonight. If you get up and walk out, I won't feel offended, because I know it's a lovely evening and you might want to enjoy that. [interjections]

Mr. Chairman, if you would bring order to this Assembly, I could continue with my remarks.

I do also want to encourage all members of the Assembly – most of you or some of you have your laptops with you – to log on to www.innovation.gov.ab.ca and for your information log on to a site there on the left-hand side called Sci-Tech Week. That will open up a window that's called Science & Technology Week.

THE CHAIR: Hon. minister, your laptop is wonderful. The only thing is, it blocks out another level of technology, and that's the sound. Proceed, hon. minister.

MR. DOERKSEN: I was convinced I was speaking loudly enough, Mr. Chairman.

After you open that window, there's a section called CoolFlashStuff. If you go and log on to that little thing, you can choose from some interactives: of a butterfly's wings, of a shark, of the moon, of space, a lunar footprint. The one that I would suggest you look at is the one on our solar system, which actually will show you all the revolutions of all the planets. It will count the years off, and you can see the different speeds as a planet rotates around the sun and see how our solar system actually works. [interjections] Okay. This is important.

Now, that's the cool stuff, but what you can also find on that web site is information on the Alberta Supernet. You can read about the Alberta Science and Research Authority. You can read about closing the digital divide between urban and rural Albertans. You can see about Venture Channel connecting Alberta to the Silicon Valley. You can get some information on our nanotechnology institute that's opening up at the University of Alberta and the Alberta Energy Research Institute. Information is there on the Alberta Agriculture Research Institute, the Alberta Forestry Research Institute. There is a wealth of information on this web site,

so while you're listening to the debate, I would encourage you to inspect the web site. Actually, you'll probably have answers to your questions that you hadn't previously realized were there. [interjection]

Mr. Chairman, I apologize. I'll now close up my computer.

THE CHAIR: No. No. There's nothing wrong with your computer. It's just that when you put it up, then you block the mike.

MR. DOERKSEN: Okay. Moving on to the 2002-2003 fiscal plan, Mr. Chairman, Innovation and Science has two core businesses. One of them is research and development, and the other one is corporate information and communications technology. Under the first core business research and development is aimed at enhancing "the contribution of science, research, development and commercialization to the sustainable prosperity and quality of life of all Albertans." You will see throughout our business plan that we focus on people, infrastructure, strategic alliances, and fostering innovation. The cycle of research and development continues to grow and build momentum, attracting private-sector investment. That in turn leads to the creation of new business, greater economic diversification, and improved opportunities for all Albertans. It also ensures that Alberta stays out front, creating its own path to the future instead of following behind.

Mr. Chairman, I alluded to the National Institute for Nanotechnology, which you can find information on at the web site, and that is a strategic partnership between the University of Alberta, the province of Alberta, and the National Research Council. Beginning this year, Alberta and the University of Alberta will jointly invest \$60 million over five years in this national research institute, making Alberta one of the top centres in the world for nanotechnology research. This funding will be matched, of course, through the National Research Council and the federal government. The impact of nanotechnology is expected to be as revolutionary as the development of computer technology or the industrial revolution, affecting our lives in a multitude of ways from energy production to medicine, from bandwidth to construction. With the National Institute for Nanotechnology Alberta will lead the way.

Mr. Chairman, I've been told many times that I look better if I smile. So if I smile occasionally during my speech, I'm trying to bear that in mind.

The National Institute for Nanotechnology stems from the strength of research programs in this province, and in order to continue to simulate this kind of excellence in this fiscal year, we will also work to match Canada Foundation for Innovation funding for research at our educational institutes. Mr. Chairman, in the most recent awards that were given by the Canada Foundation for Innovation, Alberta universities and institutions had a greater or a disproportionate share of the awards from the competition that they offered. We did exceptionally well.

We are undertaking a strategic focus on three priorities: life sciences, energy, and information and communications technology. Through a collaborative effort with other ministries in industry, we have developed strategies for energy and life sciences research. They are aimed at leveraging our strength in these areas in order to enhance quality of life and economic opportunities for all Albertans. Toward this end fiscal estimates for research and development in 2002-2003 are \$96.6 million, including the \$91.6 million allocation to ASRA.

At this point I want to just talk a little bit about the relationship that I have with the Alberta Science and Research Authority, because that is the independent body established with people that have a wide background of knowledge in research and science. They provide strategic advice through the minister to our govern-

ment about the areas that we should be investing in, the areas that would be important to continue to build on for the Alberta advantage. So they are a very important element, or body, within the ministry that I work in.

Our second core business relates to information and communications technology. We look at this from an economic development perspective as well as from the perspective of garnering increased effectiveness and efficiency in the way this government does business. One example I would use with respect to efficiency and effectiveness in terms of delivering e-government is actually prompted by the report of the Premier's Advisory Council on Health. Innovation and Science will work with Health and Wellness to develop a framework and standards for databases and e-health as well as other opportunities that Supernet will create to improve the delivery of health services for Albertans.

8:10

Estimates for 2002-2003 are \$121.8 million for Supernet. This will allow in this year the completion of 27 segments of the network and the start of an additional 24 segments as well as community involvement and conversion projects. Again, for the benefit of the members of the Assembly, you can find the entire bill schedule, along with maps, on the web site that I referred to: www.innovation.gov.ab.ca.

I want to emphasize something about Supernet, because Supernet will provide much more than high-speed Internet access. I'm just going to diverge here a little bit. Going back to the example I used of the solar system that you can pick up off the web site in that fun zone, with those images where you see how the solar system works, if you're using a dial-up modem in some remote part of Alberta, you can't look at that picture because your bandwidth is not capable to deliver that to your computer sufficiently for you to see that. So individuals sitting in this Assembly have a much greater benefit than the vast majority of rural Albertans in particular, which is one of the primary reasons that we have embarked on the Supernet project.

But it is much more than just the Internet, and I have to emphasize that point. This is a scalable broadband data optical network that will allow for real-time services such as e-learning, e-health, e-commerce, and e-government well into the future. If you can imagine a digital image – a CAT scan, MRI, ultrasound – and you're trying to deliver all that information via digital down a pipe to a remote area to look at it, you have to have a very high resolution screen at the end to receive that. In fact, the technology is there, but if you don't have the bandwidth – just go back 50 or 60 years when movies were just starting to come out; you saw the pictures move very jerkily across the screen. You need the bandwidth to eliminate some of those issues, and that's the importance of building a scalable network that can deliver a large volume of digital images to permit that to happen.

I'm going to give you some specifics with respect to the services that will be offered via Supernet, particularly some of the rates that will be charged for government, learning, hospitals, and libraries. There would be a variety of services offered to each of the government of Alberta sites, and they will range from a charge of approximately \$242 per month right up to \$850 per month. My contention is that what we are going to experience is probably a greater demand for that bandwidth than we could ever have imagined. So even though we're building in different levels of service, I think it'll be a very short period of time before the demand for the highest level of service is actually permitted. We're continuing to work with what the commercial rates will be, and we are convinced that the opportunities provided for commercial opportunities within municipalities and cities and towns will be accepted with a high sign-up rate.

We'll continue to work with other ministries to develop a

multitude of ways that government can improve services to Albertans with this network in place. Distance learning, Wellnet, and the Pharmaceutical Information Network are just some of the examples of services that will be enhanced and made more affordable with Supernet.

Supernet is only one prong of the corporate ICT strategy. It is part of the infrastructure that we need to put in place to be able to deliver on some of the other objectives that we want to achieve.

Innovation and Science is working with other ministries to leverage and make the best use of the \$300 million that is spent across government each year for information technology. We will work with ministries to find common standards and solutions for ICT to ensure that the people of Alberta get the best value for the money spent.

The value of this co-ordination is greater efficiency and effectiveness and means that all government can benefit from the expertise housed in individual ministries as well as better communication across government and with the people of Alberta.

One of these kinds of services that you might see in the future and is already being tested is that when you have to renew your registration on your vehicle, you can now log on to the Internet, on to that web-site, and actually order or make your renewal and pay for it through the Internet. The reason I know that, Mr. Chairman, is that I did that. As Minister of Innovation and Science I have to make sure that this is working. That lets anybody from their home, from their office, from another office be able to look after their business from right where they are without having to go down to a registry to complete this.

So, Mr. Chairman, I'm going to actually take my seat and listen intently to the other members of this Assembly as they give me probing questions and comments, and I will do my best to answer the ones I can. The ones that I'm not able to provide the necessary detail on we will commit to providing in writing at a future date, or else if you give us your e-mail address, we might even electronically send you the information. I think that would be in character with what we're trying to do.

THE CHAIR: Before I recognize the hon. Member for Edmonton-Mill Woods, I wonder if we might have permission to briefly revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

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

MR. BONNER: Thank you very much, Mr. Chair. It's a pleasure tonight to introduce to you and through you and to all members of the Assembly a number of guests we have in the public gallery. They are here primarily to hear the debate on Bill 26. These are people that have long been involved with injured workers in this province. They have provided assistance to many, many injured workers, so it gives me a great deal of pleasure to introduce to you tonight Joyce Waselenchuk, Rick Bremault – now, Len Borowski was up in the members' gallery; he stepped out for a few minutes – and joining them tonight we have Chris Leeuw and Lauren Syrnky. With your permission, Mr. Chair, I would ask that they now rise and receive the traditional warm welcome of the Assembly.

head: **Main Estimates 2002-03**

Innovation and Science *(continued)*

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

DR. MASSEY: Thank you, Mr. Chairman. It's always a pleasure to have some questions of the Minister of Innovation and Science. His enthusiasm is contagious. It might have been helpful if he'd talked about the estimates, so maybe with some questions we can steer him in that direction.

One of the promises that the business plan from last year made was that this year, it said

Innovation and Science plans to develop better performance measures and establish benchmarks for the Ministry. Results for these indicators will be reported on in upcoming annual reports for Innovation and Science.

So we were warned last year that this year's business plan – we could look for some changes in its presentation, and I would appreciate maybe if the minister can do some cross-referencing for us so that we could follow some of the measures. I think last year there were six goals, and this year there are eight. There are some commonalities; for instance, the commercialization goal. Although the wording is different, commercialization of research in the area remains an important goal, the application of research in the area also is a goal, and the government as a model user and leader in the use of information technology is a goal.

8:20

Past that I start to lose a little bit when I try to compare it, and the only reason that it interests me, Mr. Chairman, is that it makes it so much easier if we can move from one year's business plan to the next year's and make those comparisons. So I'd be interested, too, from the minister's perspective in terms of whether he thinks that the present scheme they have in this year's Innovation and Science business plan is one now that will remain stable over the next couple of years, or are there going to be some more changes? In particular I think it's important that the measures and the key performance measures and the indicators remain somewhat stable so that we can actually track what's happening from year to year.

One of the indicators that interests me is on page 252, the "Alberta university publications as a percentage of Canadian and global publications." I wondered how that information is gathered. Is it available in a source, and what was the rationale behind that particular indicator? I think it's an intriguing one, it's an interesting one, and I would be interested in some of the reasoning that went on in terms of having it here.

I'm also supportive of the next one, and that is "Alberta's Gross Expenditures on Research and Development" as a percentage of Provincial GDP, and then they compare it with other provinces. I think that's one that I've seen used elsewhere in some American states in terms of making some judgments about the fiscal effort of departments. I've seen it used, for instance, in education departments to try to indicate the kind of fiscal effort the government is making in terms of education, so it's interesting to find it here in Innovation and Science. I think it's a useful one because it does speak to the government's priorities in terms of the area, so it's an interesting one.

One of the new goals or one that seems to – there was a previous goal, number 3 last year, that talked about research application and stewardship of our resources in the environment; I'm paraphrasing what it was. This one is specifically now "to increase energy research intensity that contributes to Alberta's continued prosperity." It is highly, highly specific. I wondered about the technologies, the key performance measure at the top of page 254, the "number of new technologies in Alberta at the demonstration stage for clean burning coal and other feedstocks." The baseline is 2001-2002, and it's zero. I thought that there was some technology that was being proposed by a plant in north Edmonton that proposed using a new technology to burn coal cleanly. They were using that for an

argument for expansion of the plant, and there was considerable discussion in the community about the plant's proposal. So I would like some further information, if the minister has it, on just exactly where that technology is and is it in fact in use at the present time?

On the same page we again have university-based publications as a percentage of global publications in energy research and development, and I really am interested in the source. It just seems like such a colossal task to gather that kind of information. Is there a readily available index that somebody's already done out there, or is this something that's being done here, and how reliable is it, I guess would be my question. It's an intriguing measure or indicator that the ministry has chosen.

There are some indicators under goal 3, the "number of researchers and graduate students at TRILabs" and then the "number of graduate students studying Computer Science and Electrical and Computer Engineering at the University of Alberta and the University of Calgary," and I think those measures are mentioned elsewhere in the business plan. What effect will the capping of enrollment that's been proposed, say, at the University of Alberta have on these measures? Are they going to be fair measures if that capping goes ahead? What are the implications of capping for measures such as this one that attempts to look at graduate and undergraduate participation?

Another new goal or one that's been teased out and is a stand-alone goal now seems to be goal 4, the one "to foster excellence in life sciences research that contributes to Alberta's continued prosperity." It's been picked out, and I guess this is really what I was referencing: "Number of graduates from life sciences-related programs at Alberta universities and selected colleges." My previous comments really apply to this, because the capping of enrollment would certainly, it'd seem to me, have some influence on this particular indicator. I think they're good indicators.

I like this one and the one that follows, "number of faculty researchers and students supported by the Alberta Heritage Foundation for Medical Research." It starts to get a little bit, with some real hard data, to the problem of brain drain and the kinds of, maybe, myths that exist. Is there really a brain drain? I think that if we start having information like this, we have a better handle on that whole business.

Goal 5, the commercialization, is again one that we had previously. It was goal 2 in the previous business plan, and that's the whole area of "commercialization of research in information and communications technology . . . life sciences and other areas of strategic importance." It's really quite an ambitious goal, and again you look at the indicators, the one in terms of the "research investments attracted to Alberta research institutions." We've had this discussion in the budget estimates for the Department of Learning in terms of the impact of commercialization on research agendas at the major research institutions in the province. Is there any concern that the focus on commercialization is going to lead to what I think is being called gizmo research, research with an immediate payoff, which in the long run might be shortsighted? If you go back and look at the research that went into extracting oil from the tar sands, if my history is correct, that was fairly serendipitous. It was important information, but it wasn't information that was gathered initially because of the need to come up with a commercial solution to a problem.

8:30

Maybe this is not the correct department given its mandate. Maybe it's more a concern that should be addressed in the budgets of the Learning department, but I do worry about the province's research agenda. As important and as critical as being able to

commercialize and to attract business investment into research and the kinds of opportunities that that opens up and the contribution to our economic well-being, there is, I think, a broader public research agenda that has to be protected. I've been assured in the past by University of Alberta officials at least that we have a long ways to go before it becomes a real problem, but I still worry about it and wonder if it's something the ministry has addressed.

Goal 6: "To attract, grow, establish and retain information and communications technology . . . and life sciences businesses in Alberta." In sort of my cursory look at the comparison of the two business plans, I couldn't find where that was before in the budget, but that doesn't mean it wasn't there. I would be interested in some background to goal 6, and again I think it's an interesting goal. It must have some overlap with the Economic Development people in government, and I wonder how that is sorted out between departments.

I look at goal 7. This is the one that includes the Supernet indicators and key performance measures. I notice in last year's budget that it said that there were 422 communities now connected, and it's the same in this budget, if I'm correct that that number hasn't changed. Does that mean that all the communities that are going to be connected are now connected? I assume that that's what's happened. There's some great enthusiasm around Supernet, and we had the privilege of meeting with some of the officials involved. I still hear from schools that indicate that it gets to their building, but they still don't have the money they need for computers within the building to make it available to youngsters. I was in one rural high school who sort of indicated that it really was a nonissue for them because they didn't have the money to actually use it effectively.

Again, is there collaboration with the Department of Learning with respect to the Supernet, and what is the nature of that collaboration? It seems to me extremely important to make sure that having gone to that huge expense and effort to get the network throughout the province, the other piece of it is even more important: to make sure that users, particularly students, are able to benefit from the promise of such a technological innovation. So some comments about Supernet. I know that it's near and dear to the minister's heart, so I look forward to hearing from him.

The last one is one that appeared in the previous business plan with a little bit of a different spin on it in terms of government plans, where the government is to be a model user of information and communications technology. This one says not only a model user but one that leads to the cost-effective delivery of effective government administration. It's really, I think, a variation on a theme that we had before.

Those, I think, are some of the specific questions there. If I have another opportunity, there are others I'd like to go back to, Mr. Chairman, to some of the indicators and to ask some questions about them. In terms of the overview I think it would have been helpful – maybe you can't include it in the business plan. I guess, why not? It would have been helpful to have a bit of a chart, an overlay, if you would, which would have sort of directed us from last year's budget to this. I know that's been a constant concern of the Auditor General in terms of departments not sticking with a plan. I think that with this department it has been, and it's been open about the search for appropriate performance measures and indicators. We all expected that there would be some changes, but it would have been nice to have a bit of a summary in terms of the goals and how they've changed and been expanded. That would have helped the reader in going through the information.

I think that's it for the business plan, Mr. Chairman. Thank you.

MR. DOERKSEN: Mr. Chairman, I'm going to respond to a few of the remarks by the hon. member and hopefully enlighten him on some of the questions that he has. It's a fair comment about the change between last year's business plan and this year's, and I've noted those comments. Without a doubt, as a new minister with a new deputy minister we did put our own stamp of direction on the business plan, but I acknowledge those comments that it can be difficult to follow from one year to the other. The way we've structured the goals in the business plan really relates to the core businesses. Your first six goals relate to the research and development side of the equation, and the last two goals relate to the ICT component of the ministry.

You referred to "Alberta's gross expenditures on research and development . . . as a percentage of provincial gross domestic product" as one of our measures, and that's a valuable measure to use. Part of the problem we have with that particular measure is, as you can see there, we're going back to 1999. I'm convinced that if we actually had those numbers for last year, you would see a big improvement in terms of Alberta's position vis-a-vis the other provinces. There seems to be a two-year lag to get those particular numbers. What we're trying to do there with that goal and the second goal is to measure our research intensity, because we think that in terms of developing our province and developing our future, research is the beginning of a long-term investment. The payoffs aren't often until 10, 15, 20 years down the road, and our department is about the future.

8:40

What we have really tried to highlight in the way we structured our goals, particularly in this area, is to say that in research and development intellectual capital is the critical element. If the people leave, so do the ideas. What we're trying to focus on here is retaining good people in Alberta, attracting good people to Alberta and keeping that talent within our province. So within our goals you'll see a consistent approach in terms of people, infrastructure, and innovation.

You made a reference to energy research intensity. Again, I want to point you to – it's not obvious from the business plan – the web site that I referred to, innovation.gov.ab.ca. If you go under Energy Research, you can actually find the Alberta Energy Research Institute business plan, which outlines the goals that they have with respect to energy. Of course, that's co-chaired by the very capable Member for Bonnyville-Cold Lake.

Just quickly in terms of the goals that the Alberta Energy Research Institute has, it's in the area of clean coal technology, clean energy. It's in the area of upgrading technologies. It's in the area of carbon dioxide, or CO₂, management and energy production – I'm actually reading right off their business plan here on my computer – improved oil and gas production and also fuel cells and hydrogen. Fuel cells are largely a distributed power technology, because you have to find a way to store the power in a fuel cell. You still have to create the power, but you want to store it in a fuel cell, and it becomes a form of distributed power.

The strategy that they have outlined in their business plan is critical as we negotiate and talk about the whole Kyoto situation. If you get beyond all of the rhetoric that's going on, we have got to invest money into research and technology to improve our production. It can take us to the next level. It can solve a lot of the issues that we face with the things surrounding the Kyoto accord. We're very keen on working with the federal government, with industry to try to achieve some objectives in that area. I would encourage you, when you have some leisure time, which I know is not that often, to check out the web site. You can get all the information about what they're trying to do on the energy side.

We talk about energy, we talk about ICT, and we talk about life sciences. Goals 5 and 6 talk about the issues of commercialization and growing businesses within Alberta. We're told over and over again that we have excellent basic research in the province of Alberta, but where we can do better is to take that research, take that technology and develop it within our borders. While we're a small population base in terms of the whole global economy, we want to have a disproportionate share of the market of the innovation in developing those companies. Those issues relate to issues of access to capital, issues in terms of management ability that moves past research to actually take and now commercialize the technology that we find. So those two goals in my view are the two important ones that we really have to concentrate on over the next year or two.

Again, I want to make sure that everybody has an opportunity to ask me questions, so I'm not going to answer all the questions.

I did want to go back to Supernet and your question there. If you refer to page 260 with respect to the number of communities, at the bottom of the page you'll see how we want to go for this budget year. We want to connect 133 communities. By 2003-04 we will have 356 connected, and by 2004, which is the end of the build schedule, we'll have all 422 communities, 4,700 locations, all connected to Supernet. The baseline is '01-02; that's actually last year's baseline. Now, there are a lot of connections in the base network already, but most of the significant build with respect to the extended network happens in the smaller communities. This is how we're measuring whether we're achieving our goals. Again, if you refer to the build schedule on the web site, you'll see exactly which communities we're going to, when it's supposed to start, and when it's supposed to be finally connected. So the information in terms of the schedule is all documented quite clearly there for everybody to see.

I've noted your comments with respect to the cost to schools, and I want to assure the member that the Department of Learning is vitally interested in the Supernet project and has been in support of this all the way along. Yes, in fact, we are working collaboratively with them. My job is to build the network, build the infrastructure. Learning, Health: they'll be the content deliverers, which is the information and stuff that will pass over the network, over the infrastructure. So it is important that we work together in terms of achieving our objectives in the infrastructure build.

So those are some comments I'll make. I suspect you'll have some more, and we'll try to get to those if not verbally at least in writing. So I'll take my seat.

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

MS CARLSON: Thank you, Mr. Chairman. Well, your voice sounds a little better than it did last night. It isn't a great deal better, so I hope you make it through what looks like it's going to turn out to be another long evening.

It's a pleasure to be here this evening to talk about the Innovation and Science budget for the upcoming year. Thanks to all the staff who are here. It's always nice to see staff here supporting the minister, often sending down timely answers to questions that have been asked so we don't have to wait for such a long time to get the responses in writing. Although some ministers are very good about it and try to get it out quickly, it still takes some degree of time. [interjection] Well, yes, certainly you do a pretty good job about getting responses back to us. It's always nice if we can have the written responses back by the time we vote on the budget for the year, Mr. Chairman. That doesn't very often happen, but there are a few ministers who do try to see that that happens.

This is a very eager minister that we have in this particular

department, and that's probably good. Probably the place for him is Innovation and Science because I think that it is where we need eagerness and thinkers and decision-makers who are quite willing to sometimes challenge the status quo. We know that this minister has that reputation, and we have seen him in that kind of a role over the years that he has been in this Legislature. So happy to see him there. [interjection] Well, I can see that there's another minister who's not too happy. You had your bouquets when it was your turn. I have to say something nice before I say all the mean and nasty things that we're well known for saying. [interjections] Right now we've got lots of groans. So good to see everybody's awake.

Really in this department there are mostly good things to say, and the one thing that I particularly want to recognize right off the bat is finally, Mr. Chairman, a ministry where I see that the key performance measures and indicators actually tie into the outcomes and strategies. So here's a department that got it right, which is nice to see. The problem with doing this properly is that then you're measurable from year to year, and you can be certain that we'll be keeping track of what's happening here.

8:50

There still isn't quite the level of detail in the ministry that we would like to see, of course. Even if you can't fit it all in the business plan, it would be great to have access to additional back-up, because really what we get here is a very global sense of what's happening in the department, and it's hard to get to some of the meat of the issues. Sometimes we then are dealing with information that isn't complete so therefore can lead us to conclusions that may or may not be accurate. That has happened in this department in fact with the Supernet. I have to say that as well as it's laid out here in this information and the statements that the minister has made about Supernet both on and off the record over the last year or so, it really hasn't done that program justice I think. So more detail on things like that would be very helpful.

I was with my colleague from Edmonton-Mill Woods and a few of my other colleagues when we had an opportunity to meet with the people who are working on Supernet in the province, and it was an eye-opener. It was actually quite different from what had been explained to us in this Legislature. So that was very good. It seems like there's perhaps, without being too critical, a lack of depth of understanding or an inability to fully discuss and debate what's happening there. So that's an issue where a briefer perhaps for all members of the Assembly would be beneficial, because the concept is an excellent concept, and the technology looks like it's going to work.

I share the reservations that my colleague for Edmonton-Mill Woods has, though, in terms of the ability for some organizations to be able to put the infrastructure within their buildings, to be able to adequately access the technology. Now, I know that from a hospital perspective that won't be an issue. There will be, if not a great cost savings, at least great access returns in terms of accessing support services and specialists and so on and so forth. So from that perspective, there will be a push for them to ensure that they've got all the necessary hardware.

Libraries we know have been chronically underfunded for the past 10 years in this province. I know that the Minister of Community Development will go on ad nauseam about how much more money they're getting this year, but in fact they've been chronically underfunded. So there are some serious problems there. I know that in my own local library, which is heavily used in Mill Woods and particularly heavily used by low-income families, there wouldn't be a computer in the place if it hadn't been for the Bill Gates program, that puts computers in. Most of those are for access by the kids,

which is excellent, who then will be great beneficiaries of the Supernet program. But when I take a look at what they've got behind the desk in terms of equipment for their own administrative purposes, it's substandard, to say the least. So I do worry about access on their side.

Of course, as my colleague has outlined, we still continue to have concerns about the schools. Now, I remember that some time ago I had talked to someone who worked with Supernet, and I expressed my concerns at that time about it to him. He said, "We bring it to the door; they'll find a way to bring it inside." I said, "Corporate sponsorship?" He said: "Whatever. They'll find a way to bring it inside." It's nice to say, "Build it, and they will come," but we know that capital is a real problem. So I share the concerns of the school administrators and my colleague on that. Some schools will be far more creative and will have first choice immediately. Others may not have the abilities to access it, so we end up having tiered standards. I know that's probably not something that is supported by the minister.

I was interested in the minister's comments about the Supernet when he talked about there not being any communities up and going at this time. I'm sure that's what I heard him say. Yet the Supernet people tell us that they've got a pilot project that if not under way is on the verge of being operational in the Red Deer corridor, which coincidentally happens to be the minister's own riding. It's probably just a coincidence. It's great. They've got to do it somewhere, and I'm happy to see that they're doing it in the middle of the province. Well, not really the middle of the province but populationwise the middle of the province. I see that his colleague there in the neighbouring constituency is also very happy about that. So perhaps if the minister could talk a little about that, that would be beneficial.

In the response to the Member for Edmonton-Mill Woods the minister talked about this being a department that focuses on long-term payoffs, and that's a good thing, I think, for Innovation and Science and is certainly where we want your vision and your focus to be. In fact, we could use a little more of that kind of vision and focus from the government in general and in a variety of departments, no doubt. The problem with having a long-term focus is that you have to make sure that you're hitting the marks along the way, that the analysis you do of whether projects continue to go ahead or not or whether they need to shift their focus is a very critical analysis, that the groups hit the marks as they progress through and, if not, get cut loose. So if the minister could talk about the kind of criteria he uses to establish that, it would be helpful.

I am sure that if we'd had that kind of criteria established for past huge problems that looked like they were innovation-based at the time, like NovAtel, those programs would have been canned a lot sooner than they were. So we don't want this ministry to get into any of those same kinds of problems as they tie their goals into the broader government of Alberta business plan goals, particularly those related to "development of value-added industries and exports." It's a fine line between picking winners and losers and interfering in the marketplace and providing the kind of support that makes Alberta a global leader in particular industries.

Perhaps the minister could tell me what he and the department use as the criteria to establish what the difference is, because there's no doubt that pursuing these kinds of goals takes money, and when you add government support into any kind of industry, there is some skewing that takes place. So what's the fine line between interference and general support, and how do you decide really what industries to go into?

He talked about nanotechnology. I think it's a great thing. It's an area where Alberta really does need to focus because we do have a skilled workforce and have the potential to have an even greater

skilled workforce. It is an attractive place for people to come and live. You've talked about some of those things in your statements, and I think that that's a great place to be going. But exactly how do you establish the criteria, and when do you decide that you've played in the marketplace enough?

One of the goals you talk about on page 251, where you state: "Ministry efforts under this core business will, in turn, impact the achievement of the broader Government of Alberta . . . business plan goals, particularly goals related to . . ." and you go down to the second one, and that's "building a skilled workforce." Could you elaborate a little on that for us, Mr. Minister? I am struck by the discussions we had in this Assembly during budget debate last night and this afternoon in question period when there were discussions about aboriginals, specifically treaty and Metis groups, being underrepresented as skilled workers. It seems like this ministry focuses particularly on the higher-end achievers, those people who get through high school and have some sort of technological training.

9:00

But that's not the real crisis in this province at this time. The crisis is in ensuring that all Albertans have a level playing field and have access not just to a very basic education but to an advanced education and that all Albertans have access to the kinds of jobs that you talked about in terms of retaining and attracting people to this province. As that is a cross-ministry goal in several departments, I would like the minister to comment on that. Are you doing any work in that area? Do we see any specific focus or programs that take a look at that particularly disadvantaged group in our province, who really could be a huge benefit? All the talk we have about more immigration and about attracting skilled labourers from outside of the country is all nice and fine, but there are many cost attached to that. It's not just bringing them here. There's the retraining side of it. There's the acclimatization and socialization process. We have a group of people right here who are First Nations in this country and who deserve to have equal access to the good jobs. I'm wondering if in your ministry you considered that, and if so, how? So if you could talk about that for us.

Mr. Minister, you talked a little bit about Kyoto and how Innovation and Science is looking at solving problems through new technology. If you could expand on that a little bit for me, I would appreciate it. I would like to know specifically what you see happening on energy alternatives. We know that ultimately a dollar spent in Alberta on refining technologies and finding solutions is not really as valuable as a dollar spent in a Third World country like China, where for a dollar you can make huge advances: technological advances, CO₂ emission kinds of reductions, and things like that. So how do you see your department really focusing in on that?

Do you see the value-added benefit of existing industries, or do you see your department looking at focusing a greater emphasis on new technologies or technologies that have been around but aren't really well accepted or adapted at that stage? We know about wind: quite viable and starting to become affordable. Fuel cells seem to be popular sometimes, not so popular at other times. So what are you doing to support those two, and what else is happening on new alternatives? What do you see coming down the pike in the next five to 10 years that may look like replacing or supplementing existing energy sources? If you could comment on that, I would certainly appreciate it.

I think that's the majority of my opening comments. I do have some more things that I would like to say if we have time as we go forward, but I think that that is the majority of what I wanted to say to do with the business plan. I'll come back to the budget numbers

specifically a little later on if there's time. Perhaps you could respond to some of my questions.

Thank you.

MR. DOERKSEN: Mr. Chairman, I'm going to have the vice-chairman of the Alberta Energy Research Institute at the end of my remarks make some comments with respect to energy alternatives. If that's okay with you, I'll have him discuss some of those.

But I want to give you a little illustration. It's never wise to use anecdotal evidence as a way of making policy, but I think in this case the example can be instructional. It relates actually to two comments you made, one with respect to libraries and the other with respect to disadvantaged people. A person I know very well works in Red Deer with a recent immigrant or refugee who has come to our community in terms of developing her English language skills. The interesting part is that this same lady goes to our public library and uses the computer and the Internet and the e-mail facilities there to keep in contact with the family she left behind. Now, e-mail technology: you don't need big broadband width to do that. It's an illustration of the importance of libraries having this kind of technology available for them, because it then becomes in effect a community portal which any person in that community can access and learn. So I am very strong on the fact that in the build-out of the Supernet in particular connecting the libraries is among the most important elements.

I did not want to imply that there was no building going on right now, because segment 7, just to set the record straight, actually goes from Rocky Mountain House through the communities of Sylvan Lake, Leslieville, Eckville, Condor, and Benalto. So that is the build. It connects at Red Deer because Red Deer is part of the base network. So just to make sure I clarified that because that segment does not directly benefit Red Deer. It benefits those communities along that segment, but it connects into the base network at the city of Red Deer. And you're right: that one is currently being tested and examined, and we expect it to be up and running in a short period of time. Again, I'm just reading this information right off the Alberta Supernet community roll-out schedule found on the website that, as you were speaking, I pulled up here on my computer just to show you that I actually know how to operate this thing.

Strategic investments. In my opening comments I alluded to the importance of the Alberta Science and Research Authority. Because I don't have the ability or the knowledge to make strategic investment decisions about where we should fund strategic research, I really have to rely on the members of that board, who have better knowledge in those areas than I do, and they also rely, then, on a peer review process. I can't tell you all the details, but we use the services of internationally known researchers to help us look at proposals and projects when we come to making decisions about which research or which strategies should get supported. There's more good stuff out there than we could possibly match.

I didn't mention at all in any of my comments – and I need to mention it here – the Alberta Research Council. It's a big component of our budget. About \$27 million is the money that we allocate to the Alberta Research Council, which is owned by the Alberta Science and Research Authority. It's a wholly owned subsidiary of the Alberta Science and Research Authority, and that of course is chaired by the hon. Member for Calgary-Lougheed. Again, there is a group of people who make decisions on a day-to-day basis about research and what's important, but they also have to present their business plan to the Alberta Science and Research Authority to make sure that what they're doing aligns with the goals that they've set out. So at some point I'm not sure if the hon. member wants to comment on that or whether you want to have more time, but I'm

sure that she might want to give you some information if she has that.

9:10

Commercialization. You touched on that again. What's important here is that when we're looking at what we should do for commercialization, we're looking for the policy levers that will allow the development to take place. We're not talking about investing in specific companies. That is not a policy of our government. It is one that we have left behind. We have to go out and find what the barriers in front of companies are with respect to setting up business in Alberta and to accessing capital. What are things that we can do from a broad policy perspective to enable those kinds of things to happen on a more successful basis?

One of them that we have not adopted in our government which many provinces use is the research and development tax credit. That one's been mentioned to me many times, but that's just an example of a lever that may or may not be beneficial. We've also talked about labour-sponsored venture capital pools, as other provinces have used that mechanism to attract capital.

In Alberta one of the things that we have put in place that is outstanding is our two endowment funds. One is of course the Alberta Heritage Foundation for Medical Research, which started with a \$300 million endowment fund and has grown that and managed that portfolio successfully to where it's now around the billion dollar mark. It has invested in medical research over the years and has a tremendous international reputation. The Alberta ingenuity fund, which is another \$500 million endowment fund, is another example of how we've been able to put money aside that will be strategically focused on areas that are important to us. That is something that Alberta has been able to do that no other province or jurisdiction has had the ability to do, so we are fortunate. Each of us uses different policy levers, different things to try to accomplish our goals, but we will continue to examine those kinds of things.

I'm going to let the vice-chair of the Alberta Energy Research Institute maybe wax eloquent about some of the things that he knows with respect to energy research.

MR. DUCHARME: Thank you, Mr. Minister. The Alberta Energy Research Institute was established going back a little over two years ago. It replaced the former AOSTRA, which had the mandate of enhancing the oil sands recovery rates as far as the oil. When AERI was formed, it was given a little bit different mandate, and that mandate was to expand in all forms of energy, whether it be coal, whether it be hydrogen, whether it be wind power, solar, et cetera. So our mandate has certainly been increased tremendously in the past few years.

We have been very fortunate that we've been able to partner most of our research projects with funding of about 3 to 1. We'll partner with industry partners. We'll also partner with the federal government. We also have some other partnerships taking place with other provinces and the American states.

We are presently working on different major projects such as carbon dioxide sequestration, where we will be capturing the CO₂ and injecting that into formerly poorly producing oil fields of conventional oil. By injecting the CO₂, we're able to enhance the oil recovery and therefore have a place in terms of being able to store that CO₂, which generally goes up into pollution in our atmosphere. We're also very involved in terms of coal bed methane extraction again using CO₂. We will be starting off with some pilot projects in that area. We're also involved in hydrogen. We have made a commitment with other provinces and the federal government that if there is other technology already being developed in other parts of

the country, we would probably partner with them in a smaller role, but in areas where we are the leaders, they would join forces with us. We're presently working in those areas.

So we feel that there are certainly a lot of challenges ahead. Certainly the Kyoto protocol brought on a lot of extra challenges in terms of making us move forward a little faster in terms of our planning, but we believe that we have a strong plan that's in place in terms of being able to address those types of concerns. So the future certainly does look bright for the Alberta Energy Research Institute.

Thank you.

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

MR. BONNER: Thank you very much, Mr. Chairman. I just have a few comments and a few questions here for the minister. I want to thank him for answering our questions here tonight on Innovation and Science. It's certainly a very, very challenging department and also probably one of the more interesting departments.

I think there are probably quite a few members in here that envy him because he has that position. I know, for instance, that a couple of years ago when the hon. Member for Edmonton-Ellerslie and I were down at a PNWER conference in Post Falls, Idaho, they had a strategy then in Post Falls where they wanted to increase business in the area, they wanted to increase the size of their town, and they wanted the high-tech industries in there. So one of the strategies they had was to have a campus built that could support, that could train, that could attract the types of minds that we need for science and innovation. They had had quite a bit of success.

You know, we've heard of other places that have as well, such as the Silicon Valley, and we have the research triangle in North and South Carolina. These are all success stories of where we've been able to attract and keep some of the brightest minds. I think in the province of Alberta we are blessed in that we have not only a number of universities that are in that position right now, but we also have a number of technical schools that rate with any, which certainly can assist us in this regard.

Now, then, in looking at this particular department – and I'm referring to Budget 2002: The Right Decisions for Challenging Times, Fiscal Plan. I'm looking on page 49 at the 2002-2003 expense by function, and I see that the budget is broken down in the following ways. For the education function we have \$19 million that is being spent there. If the minister could please give us a rough breakdown of where these dollars go. In agriculture and economic development we see that \$122 million of the budget is being spent on that particular function. In general government we have \$68 million, and consolidated ministry expense has a total of \$209 million. If he could provide us with some answers there, please.

As well, in the same book I'm looking now under Alberta Advantage. I'm looking on page 98 at research and development employment. This is the 1997-2001 annual average, and this is the percent of the employed labour force in Alberta who are involved in research and development. What we see here is that Alberta currently is in fourth place when it comes to the percent of the labour force employed here. Surprisingly to me the province in Canada which has the highest percent of labour force employed in research and development was Newfoundland, followed by Quebec and Ontario. Our present average in research and development activities is 11.7 percent of the workforce, and I was wondering if the minister could provide us with projections as to where he would like to see this percentage go. Is it to be maintained at 11.7 percent? Are we projecting a bigger percentage of people to be involved in research and development, or just where do they expect to go in this regard?

9:20

As well, in the same book, Mr. Chair, I'm looking on page 134. These are observations by the Auditor General. In point 26, management of information technology, the Auditor General's observations were:

We again recommend that the ministry of Innovation and Science, with the cooperation of other Ministries, develop systems to assist in the management of government-wide information technology (IT) services and infrastructure.

I notice that the minister did accept this recommendation, and if the minister could please outline the several steps over the past year that he has instituted to assist in the management of governmentwide information technology services and infrastructure.

As well, on page 135 under Systems Development the Auditor General indicates:

We recommend the Ministry of Innovation and Science establish a systems development methodology that can be used as a source of reference when any systems development projects are initiated throughout government, for both outsourced and in-house systems development.

Again, I see that the minister did accept this observation, and he has indicated that "an action plan developed through the Chief Information Officer Council will be completed in 2001-02 to address this recommendation." If the minister could please inform us as to whether this has been completed. If it has been completed, could he detail some of the highlights of this action plan?

Now, then, I also see in the lottery estimates on page 299 goal 2: "To increase energy research intensity that contributes to Alberta's continued prosperity." I look at Goal 2.2: "Support the development of cleaner energy research programs that will make Alberta's coal reserves generally more acceptable for electricity generation." Of course, we certainly know, Mr. Chair, that when it comes to the burning of coal, we have to take the good with the bad, and there are both here. As well, I think that there is a balance here between what the economists wish to see in regard to the development of our vast reserves of coal and what the environmentalists, who probably wouldn't want very much coal burnt, wish to see.

So when we are looking at developing these strategies and this technology for the cleaner burning of coal, what sorts of projections are we looking at here for the amount of coal that we're going to burn? Have we set any targets as to how much coal we wish to burn per year, particularly when we look at the requirements as a province that we have for electricity? As well, to what extent do we want to develop our electricity exports to the United States? So if the minister could perhaps provide us with some insights into those questions.

As well, I was quite interested to see that we are looking at energy management programs for carbon dioxide. This is one of those gases that certainly does contribute to the greenhouse effect. I was reading a book, *The Limits to Growth*, and in reading this book I was quite amazed that the one gas that contributes more to the greenhouse effect and global warming is water vapour in the air. We know that whenever we're burning any fossil fuels, one of the by-products is water vapour. So even though we do have a very clean gas in the atmosphere, it does have an effect. When we look at the projections, those are things that if he has any insights on or if they have any plans, he could pass that on to me.

Back in the late '80s, early '90s I was teaching a science class in St. Albert. At that time I was teaching some of the Myers kids, and of course Tony worked for Fred Stewart, who was quite involved with the development, I believe, of the research park. One of the highlights of that particular year was a field trip that he'd arranged for us to take these students on to the research park and also a couple

of other facilities. As the minister had alluded to earlier, when we are looking at research and development, this is in the future. We are not going to see the payoffs until the future. At that particular time at TRLabs they were dealing primarily with fibre optics, and fibre optics were quite new at that time. It was amazing to me that one little thread could carry somewhere in the neighbourhood of 30,000 phone calls. At TRLabs what they'd done was taken that and through their research had been able to put through 90,000 on that same little wire. Of course, when we see what is happening today with Supernet and whatever, it is certainly amazing, and it is places like TRLabs that have influenced and attracted research to this province in regards to fibre optics.

Some of the other facilities I can recall that we toured were the labs. At Biomira they were doing research at that time on a vaccine to fight breast cancer, and certainly they were doing a tremendous amount of work. So I would hope that the minister would be able to down the road impress upon his colleagues the great need that we do have for research and the great need that we do have to spend money now to gather the benefits later.

[Ms Graham in the chair]

As well, I am extremely interested in the Supernet. It has just fabulous potential, but I also noticed in your plans from last year that you were looking at wireless technology as perhaps one of the methods that could be used at the extremities. If the minister could please update us as to where they're at when it comes to using wireless technology at the extremities and if in fact this is still the plan. It certainly is an alternative but again an expensive alternative.

So with those questions perhaps I might get another opportunity, Madam Chair, to get back up and ask the minister a few other questions. Thank you.

MR. DOERKSEN: Madam Chair, that was a fairly wide-ranging list of questions, and I have to admit that I was struggling in trying to follow you through your pages. But I have picked up a couple that I will answer, and the rest we'll have to try and figure out later.

I'm going to take off on a small tangent here just for a minute, because I'm not sure that I communicated clearly enough at the beginning of my comments the importance of the people who work in the Ministry of Innovation and Science. This past year as we negotiated the Supernet contract and as we started to implement to build the Supernet and as we went out and suddenly had the opportunity for the Nanotechnology Research Institute, they worked awfully hard to bring some of these together. Our business plan focuses on people and intellectual capital, and that's what we have in Innovation and Science, and they have been just absolutely tremendous. So before they leave – the hon. Deputy Premier here couldn't believe that these people are still sitting in the audience listening to the debate. In fact, they are pretty good.

9:30

This is an exciting ministry, and I have to tell you about some of the benefits that come with actually having this portfolio. I had the opportunity to go to the University of Alberta and attend a couple of their awards ceremonies to recognize people that had done very well at the University of Alberta. I got the chance to listen to Dr. Rajotte as he explained the Edmonton protocol, and of course the Edmonton protocol is all about the diabetes research and how that all works, and that's just a tremendous achievement. He presented it in a way so that even a layperson like myself could actually follow what they're doing with that particular research. I also got to listen to another fellow who presented – and I can't even spell this let alone

pronounce it, but it was a guy that was recognized for phenomenological pedagogy. Now, maybe the hon. Member for Edmonton-Mill Woods would know what that's all about, but I got to listen to that as well. It's not exactly related to what we're doing, but it is an interesting portfolio, and I thought the Member for Edmonton-Mill Woods might actually recognize that term.

A couple of points. What was I going to say? Oh, yes. This is what I was going to say. The Member for Edmonton-Glengarry referred to a couple of the recommendations that were referred to by the Auditor General in the budget 2002, and I did finally find what you were talking about there. I think the best answer to that would be, in terms of what have we done to address some of those, to look at goal 8 in the business plan, where it talks about our key performance measures and indicators, and it talks about "adoption of corporate standards by individual departments." The targets that we're trying to do to create some common standards within government ministries begin to address some of those issues, so we do have some targets lined up. The next indicator you can see under Indicators, "Number of cross government ICT applications developed and implemented." You can see the progress we're making in terms of the year some of these initiatives were commissioned and the percent of implementation. I think that answers part of the action we're taking to address the Auditor General's comments. Now, that's probably not a complete answer, and we'll look at those and provide that in more detail later on.

[Mr. Tannas in the chair]

The other thing you asked about was wireless research, and TRLabs is a strategic investment, again through the advice of the Alberta Science and Research Authority, in terms of our investment into TRLabs. They're a very good research body that works in the wireless field. In fact, they're working in terms of setting up what I call a wireless test bed so that companies can actually come in and test their 2.5G or 3G products on this test bed to see if in fact this can actually work in the marketplace. That is a very important research activity. It is the way of the future. It's just a matter of time, a matter of finding the technology, and then taking it to the market. All you have to do is look back about 10 years and see how far technology has taken us with respect to the Internet, computers, even in the Assembly. When I came here in '93, it was unheard of to have a computer sitting on your desk, wired, hooked up, logged on to the Internet, looking at the web site of innovation.gov.ab.ca. Remarkable.

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

DR. MASSEY: Thank you, Mr. Chairman. I appreciate the opportunity to ask some further questions of the minister. I'm heartened that he's listening to lectures on phenomenological pedagogy. I don't have to worry any longer about him being so wrapped up in the science end of things that he's ignoring other important areas of research. It's encouraging that he's over listening to those lectures. I could almost predict who gave the lecture and got the award.

I have some specific questions about the estimates just for some information. Under program 1 the line item is corporate services, and I wonder if we could be reminded again of some of the items that are included in that. I have to admit that I listened to the presentation on Supernet and I was left with the impression that the structure was in place, that these 422 communities were in striking distance. I don't know why I was left with that impression, but that's what I came away with, and obviously that's incorrect. I wondered about the kind of forecasting that's been done for Supernet

for the next few years. They're heavy costs initially, but where will we be going with that?

The co-operation with the school and health authorities has been raised a couple of times. I guess the school authorities are of concern to me because of the other ministry that I shadow and the growing concern about the adequacy of funding for schools and the need for an adequacy formula. There's a \$42 a student allocation made now for technology. I think most schools would indicate that unless there are some outside sources – in a lot of cases that's been parent fund-raising – they don't have the resources to meet their technology needs. I guess I would ask the question: is there a specific plan that's being developed? The minister is indicating that they're co-operating with Health and Learning, but is there a specific plan in place with some measures, some goals in terms of the kind of technology that schools may expect to have supported?

I wonder if we could find a little information in terms of the process in which the contracts are put out to tender for government systems technology. Just how is that done? Under program 3 there's a line item on operations and policy implementation. I wonder if we could have some more detail on what's intended there.

There's a concern that I have in terms of funding government departments out of the lottery funds, and it's a concern I have in terms of the use of lottery money for Learning, but there's a large contribution to Innovation and Science from the lottery fund. Does that in any way worry the minister? Right now I know that seems to be a fairly reliable source of income, but I've seen some predictions about lottery funds and the future of them, and again I have some feelings about: it makes a difference where the money comes from. I guess I would feel better if there wasn't such a large dependence on the lottery fund for basic departments such as this.

9:40

Have we any information in terms of the funding from Innovation and Science for research infrastructure? Has it matched the actual costs incurred by the universities? This has always been a problem at universities with research groups in terms of making sure that the research funding is really adequate for the actual costs incurred. I know that that's probably more the obligation of the universities than it is the department, but the department does have, I think, a responsibility to make sure that the costs actually are covered.

Under the same program there is "work with Alberta Learning to co-ordinate research-related policies and programs." Is Innovation and Science involved in any of the AISI projects that are conducted by Alberta Learning? Is there a crossover of funding for those projects?

There's been a performance measure that looks at the ability of Alberta universities to attract research funding, and the target is for an increase in federal government research dollars. Now, that target is 104 percent higher for 2004-2005 than in 1998-99, but the projected increase in provincial funding is 69 percent. I wonder if we could have an explanation for that difference.

We've already talked about using a percent of the GDP as a measure, and I agree with the minister that that's an important indicator.

Has the department considered a target for the usage of nonconventional energy consumption as a percentage of overall energy consumption? It seemed to me that might be an indicator that would be useful in terms of monitoring progress in that area. I wonder if we could have some information on the incentives that are there to extract from nonconventional sources.

Those are, I think, some of the specific questions I have, Mr. Chairman. I'll conclude with that. Thank you.

MR. DOERKSEN: Again, Mr. Chairman, just a couple of com-

ments. I want to point out with respect to the comment about the Supernet being within striking distance that in my view for the extent of the build that we have engaged in in Alberta, which is probably unique around the world, two and a half to three years I consider to be in striking distance. That's a remarkable project over a short period of time. I think that it's been extremely well handled, and it will be a remarkable achievement.

The other point I want to make is that many schools already have access to some form of service and have already invested substantial amounts of dollars in technology that is already sitting there and waiting. The biggest impact for Supernet, of course, is going to be in the extended network, where they do not have the same level of service that we can access in the major centres. I made this point in question period, but when you have a dial-up service over a copper wire and you want to download a picture of your grandson or your granddaughter, you can start to download, go away, get a cup of coffee, have a doughnut, come back, and it might be there. Okay? When you upgrade to DSL over copper wire, well, you haven't got time to go get the coffee and a doughnut, so you've got to have the coffee there ready for you, because the picture will be downloaded automatically. But when you jump another 10 to 20 times faster in terms of one of the services that you'll get over Supernet, then you get into the streaming video, the videoconferencing. An enormous wealth of more opportunities becomes available.

So these are the kinds of exciting things that are going to happen in schools, and all I can say is: we'll continue to work with Learning to accomplish some of these objectives. This is new, and there will be challenges there. There's no doubt about that.

With respect to lottery funds, there's been a lot of discussion in this Assembly about making sure that communities benefit from lottery funds. I have to make the point that in this case, with 422 communities, 4,700 locations, that is money that is going back into the community for all of them to benefit. So it is money being returned from lotteries to specific communities.

You also raised the issue of research infrastructure. I have to tell you that we have two major challenges in front of us. They relate to the health research innovation centres, which are proposed at both the University of Calgary and the University of Alberta. With the recent Canada Foundation for Innovation awards some of these projects are contingent upon that infrastructure being built. If you look back, of course, to the budget reallocation we had to do in the last fiscal year, we had to defer some projects on the infrastructure side. This is an issue that we have to face, and through the Financial Review Commission – I'm sure that's the right title – I think they're looking at these entire infrastructure issues and how we might address them. In terms of creating that infrastructure to allow some of that research to happen, it is important, and it's a significant issue that we're trying to help address even through our ministry.

Your comments about incentives I found interesting, because when you're looking for policy levers, you are looking for incentives to encourage the right behaviour. So I appreciated your comments on that.

I meant to mention this earlier, but with respect again to looking at innovation.gov.ab.ca, you can find all the information about the contract that we have on Supernet and how many kilometres of fibre we're going to lay and what the responsibility of Bell is and what the responsibility of Axia is. It's a wealth of information just sitting at your fingertips to use.

Thank you.

THE CHAIR: After considering the business plan and proposed estimates for the Department of Innovation and Science, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:

Operating Expense and Capital Investment \$280,449,000

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

HON. MEMBERS: Agreed.

THE CHAIR: Opposed? Carried.

The hon. Government House Leader.

9:50

MR. HANCOCK: Thank you, Mr. Chairman. I'd move that the committee rise and report the estimates of Innovation and Science and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

MR. LOUGHEED: Thank you. Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2003, for the following department.

Innovation and Science: operating expense and capital investment, \$280,449,000.

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

head: **Private Bills**

Third Reading

Bill Pr. 1

Synod of the Diocese of Edmonton Amendment Act, 2002

MR. MASKELL: Mr. Speaker, I move third reading of Bill Pr. 1, Synod of the Diocese of Edmonton Amendment Act, 2002.

[Motion carried; Bill Pr. 1 read a third time]

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

[Mr. Tannas in the chair]

THE CHAIR: Now I'd like to call the Committee of the Whole to order. Again we'll remind hon. members that we only have one member standing and talking at a time.

Bill 9

Child Welfare Amendment Act, 2002

THE CHAIR: Are there any comments, questions, or amendments

to be offered with respect to this bill? The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. Bill 9 has been before us now on a number of occasions. There's been consultation with a variety of groups. I think the most contentious section of the bill is the section dealing with the amendment under section 120. The amendment is by adding the following after subsection (6): "(7) In the hearing of appeals under this section, an Appeal Panel is bound by policy established by the Minister concerning agreements under section 106." That particular section has alarmed parents of children who are handicapped or disabled. They are fearful that the minister in defining policy will narrow the grounds under which an appeal may be granted, and the basis of their fear is that this is in fact what one of the commentators has called a social sterilization. They're worried that children with disabilities can be denied services simply on the basis that the needed services don't fit into that particular government policy. They point out that if there had been constraints on the appeal panel in the past, therapies could have been excluded that have proven today to be beneficial. So their worry is the scope of what the panels are going to be able to deal with and that that scope may be narrowed to the detriment of their youngsters. They're also worried about the implications for this section in terms of the establishment of means testing, that this can open the door to means testing, which they have great difficulty with.

The bill doesn't admit to an impact on families, and that again is seen as a shortcoming, but the fears have been raised, Mr. Chairman. The minister has met with at least one of the groups involved, that I'm aware of, the Alberta Association for Community Living. The minister may want to comment on it, but in correspondence with the minister, I believe there has been an agreement made that the bill will not be proclaimed before the policies that are going to govern the appeal panel are made public and they are given an opportunity to respond to them. I think that that commitment, along with a desire on behalf of parents with handicapped children for a family act, that could be readied for the spring of 2003, is really what they see as the most satisfactory solution. I would encourage the minister to follow up on that.

One further thing. As the policies are developed, I think that it would be wise if the ministry were to involve parents with handicapped children rather than coming forward with a full-blown set of policies that, once they are written, may become more difficult to modify. So I would encourage the involvement of those parents or representatives of those parents as the policies are formulated. Also, in terms of any kind of a new act, families with children with disabilities must be involved in those discussions. Again, I would hope that the minister might make some comment about the agreement not to proclaim until the policies have been formulated.

I think with that, I'll conclude. Thanks, Mr. Chairman.

SOME HON. MEMBERS: Question.

10:00

THE CHAIR: The question is being called, but I think I've got several people who have indicated that they wish to speak.

The hon. Minister of Children's Services.

MS EVANS: I would make this statement about Bill 9. There has been significant discussion about the services and the policies for handicapped children, or as we call them now, resources for children with disabilities, Mr. Chairman. I have agreed and will go on the record as saying that there will be no proclamation of those clauses that deal with those particular resources or the Child Welfare Appeal

Panel until such time as the policies are in place. On that point I certainly agree with the opposition that the need for policy is very clear. It should be there before the Child Welfare Appeal Panel is affected in any way. At the same time I'm committing to this Assembly that I am reviewing the workings of the Child Welfare Appeal Panel even more quickly than that proclamation can take place so that we will never have those situations where people have to be refused something and then go to the appeal panel to get it. That is not the right way to be administering a Children's Services system, and I recognize that. That's why we're going to work very hard on that.

With that commitment, at this time I would just await the pleasure of the chair.

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

MR. MASON: Thank you very much, Mr. Chairman. I do have an amendment that I'm just awaiting the copies being brought in, so I'll be pleased to speak a little bit in general about the bill.

One of the things that we have a concern about is the lack of co-operation between Health and Wellness, Learning, and Children's Services. Specifically, we're concerned that changes to the appeal panel might mean that some services might be discontinued.

Mr. Chairman, I have my amendment now. Does the table have it? Yes? Then I will move that Bill 9, the Child Welfare Amendment Act, 2002, be amended in section 8, in the proposed section 120(7), by striking out "bound" and substituting "guided."

Just to speak to that, Mr. Chairman . . .

THE CHAIR: Hon. member, just give us a moment to get the copies passed out. For those who have a copy and those who will soon get one, this is amendment A1.

Hon. Member for Edmonton-Highlands, you may go.

MR. MASON: Thanks very much, Mr. Chairman. In this particular case, you know, we have a concern that the appeal panel is really rendered rather pointless if in fact they need to be "bound" by the policy. We think that it should be instead "guided" by the policy.

Currently the contracts involve services from Learning and Health and Wellness as well as Children's Services. Only Children's Services has an appeal process. Therefore, when an HCS contract is found to be lacking an educational component, the appeal panel has ruled that the component should be included and that Children's Services should pay. The new rules will prevent the panel from giving this financial obligation to Children's Services, but it doesn't indicate how such services will be funded and provided. So I want to just indicate that we feel that the policy of binding the appeals committee is not desirable and that "guided" is a better way to deal with it. So I'll just await the comments, then, of the minister on that, Mr. Chairman.

MS EVANS: You know, Mr. Chairman, there's been significant guiding, I think, in the past, but the real crux of the matter is – and I would just pose this to the House. A policy, if it's a legislative policy that's responsible, is going to have flexibility. I would think that it would have to have flexibility by the very nature of the fact that we're dealing with human beings and not machines, and when you deal with human beings, you have to have some latitude in that policy. The fact remains that we don't have a policy. We don't have regulations. We only have one statement about handicapped children's services currently in the bill, and I think it's just prudent for us to put in place something that the Child Welfare Appeal Panel

feels is more than something that's a little loosey-goosey.

I appreciate the initiative of the hon. member opposite, but I would really beg his indulgence. In fact, I would invite him to review with me what I consider the policies prior to the proclamation – any members of the Assembly, if they chose. I think that getting those policies right will be important guideposts and should be bound by them.

So at this time I would just indicate that I would really prefer the wording that is originally stated. I'll abide by the wishes of this House.

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

DR. MASSEY: Thank you, Mr. Chairman. Certainly the amendment is designed to try to alleviate the concern that's been expressed by parents about the very definitiveness of section 120(7) and their concern that it might be narrow. I do however think that the minister's commitment to make sure, before the bill is proclaimed or this section is proclaimed, that the policies will be available. I think that that's really, for those parents that I've talked to, the heart of the problem. They really want to see what those policies are because it will really be very important to them. As I said in my previous comments, I would assume that the ministry will be in touch with those parents as those policies are developed and will be reflective of their interest and their wishes. I think it's an amendment that would be welcomed by the parents.

Thank you.

[Motion on amendment A1 lost]

[The clauses of Bill 9 agreed to]

[Title and preamble agreed to]

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

HON. MEMBERS: Agreed.

THE CHAIR: Opposed? Carried.

The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Chairman. I move that the committee rise and report Bill 9.

[Motion carried]

10:10

[The Deputy Speaker in the chair]

MR. LOUGHEED: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 9. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

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

Bill 26
Workers' Compensation Amendment Act, 2002

[Adjourned debate April 29: Mr. MacDonald]

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

MS CARLSON: Thank you, Mr. Speaker. I'm happy to join in the debate on Bill 26, the Workers' Compensation Amendment Act, at second reading, which is the time that we speak to the principle of the bill. This is a bill that we waited a long time for, Mr. Speaker, one that we were hopefully anticipating was going to solve some of the outstanding issues with injured workers in this province, and it was a great disappointment to see this bill come forward as it has. There are just a couple of things in the bill that are steps forward, but there are many, many, many steps backward. We know the history of this government. Once they have reviewed legislation, it's a long time before it comes up for review again, so this is going to be a real problem for people in this province for some time to come. I will be speaking this evening against this bill certainly in principle.

An interesting thing happened with this bill, Mr. Speaker, that doesn't very often happen with regard to me in this position, and that is when an Albertan in the province asks to have their voice heard and writes a speech that they wish to be shared with the Legislature for the history of the province so that we can hear what people have to say. Most of the time we table letters that come like that, and that's what people request, but this particular Albertan has been involved in trying to solve the outstanding issues of the WCB for some time and has written a very heartfelt letter, that I will be referring to in my debate.

It opens by stating:

Well, it's a long time coming for this Alberta Legislature to see a comprehensive Worker's Compensation bill that addresses the infamous WCB tactics that have been widely reported on and have devastated workers' lives who were injured on the job and of course consequences and the fallout that affected their families and society as a whole.

We hear that often, certainly in my office. I represent a first-generation immigrant, blue-collar constituency, and we have a great many injured workers in that constituency because of the nature of the kinds of jobs they hold over the course of their employment. It goes on to say:

So on that note I thank the Hon. Minister of Human Resources and Employment for having the courage to bring forward major legislated changes to rein in the out of control quasi-government agency that was allowed to manifest into a self-serving enterprise that was governed by a Board of Directors that were accountable and answerable to no one!

That is not exactly as the legislation reads, but we certainly hear that exact concern expressed by many people throughout the year.

It states:

This Board of Directors were supposed to protect and balance the stakeholders' fundamental rights under the WCB legislation that allowed them to operate a monopoly in a quasi-privatized business with only one requirement which was to balance its books, and in return the WCB would be left to do as they wish, where the Government relinquished all control over the operations of the WCB Alberta. (See bill 16, passed in 1996, by then minister Day)

We had a lot of discussion in this Legislature on that particular bill when it was passed, Mr. Speaker, and there are still outstanding concerns about that.

It goes on to say:

Well, hello. Was anybody paying attention when the WCB found the back way into shifting its costs back to the taxpayer by off-loading injured workers' claims onto social services, AISH, CPP, UIC, Alberta Health Care and many other community sponsored programs.

Yet here we are today 2 1/2 years later still waiting for the government investigations on audits that were done to see how rampant the off-loading by the WCB really was! Mr. Minister where are the results of the internal audits of the government agency?

That's a very good question, Mr. Speaker, and one that we hope gets answered in this Legislature before we have to vote on this particular bill. We have had many injured workers in my office who have definitely been off-loaded who I can legitimately say are injured and unable to work, who have to look for some other recourse when they thought that this program would be there to take care of them and their families in the course of something having happened.

It goes on to say:

We haven't even touched on the human suffering and family costs involved, not to mention the impact on society as a whole.

When we get to committee in this bill, Mr. Speaker, I will be sharing the experience of a person who has become a very good friend of mine who is an injured worker. I will be particularly outlining the experiences of human suffering and the costs involved for him and his family because of an accident that was no fault of his own, that was on the job, and for which he has had zero co-operation from WCB.

It goes on to say:

I can't help but to vividly remember thinking about the [sheer] desperation the injured workers must have been in when they went on a hunger strike and numerous protests that took place across this prosperous province.

Many people, when we heard it in this Legislature, thought those people had nothing better to do and that it was just some jaunt for them, but it was serious. There were certainly costs for those people that were involved in this.

To these victims of workplace accidents and their families my heart goes out to you and as a Legislator my sincerest apologies for allowing the past abuses and tragedies by a fatally flawed experiment that was allowed to manifest into such a scandalous corporation called WCB Alberta.

Well, certainly it is. I am happy to apologize to those workers who haven't been able to get help and whom I haven't been able to successfully help in many cases, not necessarily because of the way the legislation is written but the way it is interpreted and followed.

It goes on to say:

It is a sad day for all Albertans when we as a Government allow the WCB to pit the employer against the worker. Both the employers and workers of this province have been in a lose-lose situation, where it is abundantly clear there is only one winner being rewarded here and that is the WCB Alberta and its employees. One only has to touch the surface of salaries especially of the hierarchy who are making \$355,000 + bonuses and \$200,000 for middle management.

This has often been a discussion in this Assembly during question period and debate, Mr. Speaker, and I am sure that that discussion isn't over.

10:20

It goes on to say:

It's time to put this out of control semi-privatized Corporation back in its place with strong legislation that enshrines the fundamental rights of workers and employers. It is clear that this no-fault insurance scheme has become very adversarial and abusive, where more time, energy and money is but into a blanket denial system where the old 20-80% rule takes precedence over all else.

One must understand that the WCB had realized that about 20% of their claims were of serious nature and were costing 80% of their payouts, therefore the focus and attention was on the 80% of claims that are less severe (1 year or less) were their priority and conversely those 20% of serious injury claims that faced blanket denials will further result in another 80% of those severe injury claims disappearing (off-loaded) from the radar screen.

In fact, Mr. Speaker, this is exactly what happened to the person whom I will talk about later. He fell into that particular group of injured workers that the WCB wanted to disappear off their radar screen.

It goes on to say:

For what [it's] worth the WCB had the numbers game mastered to a fine art, where even the creative surveys year in and year out, were spitting out numbers that the satisfaction rate of about 85% of stakeholders were happy (short time claims), and a mere 15% dissatisfied. Numbers any corporation or business would die for.

All was fine, according to the Government; everybody was proud of their achievements and business success; the hand picked Board of Directors were reporting to the Minister irresponsible for WCB that their operations were the envy of every other province's WCB in Canada.

Well through those rose-colored glasses, (Enron creative accounting) . . .

which we have talked about in this Assembly.

. . . the WCB premiums were going down from a high of \$2.29 per \$100.00 of insurable earnings in 1994 to an . . . "average actual rate" of \$1.06 per \$100 of insurable earnings. The lowest in Canada at the time and unbelievably the lowest premium rate in Alberta since the 1950s!!!

Questionable in itself when you consider all of the outside rising costs that we have experienced over that time frame.

It goes on to say:

How remarkable this Board of Directors and the WCB hierarchy had become, where their number one priority and mandate was the bottom line at the peril or the cost to everything else in its purported mandate. Of course the Minister and the Government at the time were tickled pink with the bottom line and the infamous satisfaction surveys that were fed to them.

To further impress this Government about the WCB's sound fiscal management scheme (see 5 year strategic plan) the B of D decided to artificially reduce and subsidize employer premiums by 62 cents per hundred [dollars] of insurable earnings. To do this they under funded the liabilities and raided the stabilization fund of 156 million that was built up over several years to cover up and hide the under funding of the WCB operations.

Something else, though, that we have scratched the surface on in question period and in debate, Mr. Speaker. Serious allegations, and I would caution the author not to say them outside of this Legislative Assembly, but certainly something that needs to be discussed.

It goes on to say:

On that note, it is my understanding that under Bill 16, WCB amendments, that essentially if the WCB didn't cover its cost of the operation, that the WCB would revert back to the government control. We did have a similar experiment where government privatized a business only to be taken over by the government again. The Minister of Finance has recently spoken up about these provisions in these acts and has acted on it. It's called the Swan Hills environment plant. (Bovar)

As per the WCB's 2000 annual report there is another \$52.4 million under funding and \$130.2 million under funding in 1999, which has reflected now where we all heard of the WCB premium increases for employers going up over 50 percent over two years. Yes, that sounds like a large pill to swallow and an unmanageable amount, but the percentage doesn't tell the true story of how that affected different employer premiums, because 50 percent of what and who's really paying what?

Good questions. Once again, unanswered to this date, Mr. Speaker.

Yet as we speak we are still rated the lowest in Canada for WCB premiums even with a 50 percent increase. So the question begs to be asked, what is really going on within the quasi-governmentment agency?

Also that adds validity to how small employers and sub-contractors are being raked over the coals, such as the roofing industry that pays a high of \$12.24 per \$100 insurable earnings and the engineering industry a low of \$0.26 per \$100 insurable earnings.

Then there's the situation of the partners in injury reduction, where we've seen \$50 million go back to a few big corporations and multinationals. "The entire universal payer and universal coverage is thrown out the window along with the founding Meredith Principle, which is a sad day for employers and employees." I think that it's something. The Meredith principle is something that should have been incorporated into the new legislation as we see it in front of us, Mr. Speaker.

It goes on to state that as he understands it

in Alberta we have certain employers which pay nominal moneys to the WCB in return for their injured workers going through their own disability programs, in return the WCB would stay out of their business and also would not appear on the official exempt list for employers who are exempt for paying WCB premiums in Alberta. . . . it's clear [that there is] a rudderless ship with no mandate or principles to follow. Is it possible the WCB is being allowed or set up to fail purposely?

Once again that is a question that has often been brought before me. Because of the way that it's set up and managed, it seems like it doesn't meet its purposes for the most part. So one has to ask, then: why does that happen and why does the government allow that to happen? He goes on to state:

The systemic problems with WCB are not going to change over night and seems clear that this vaguely worded legislation is only going to exacerbate the cultural problems within WCB by rewarding them for past indiscretions and abuses by giving them more internal powers, and a free rein with no chance of contravening the WC Act, than ever before in history.

It seems to me that the WCB legislation that kept the WCB from totally contradicting and violating the very principle and reasons they exist is now watered down [even] more. If we are allowing the WCB more latitude, then I'm not sure they are serving the true purpose they were created for in the first place.

We will certainly expand that particular issue in debate at committee, Mr. Speaker.

Further under the proposed vague wording legislation that is to protect stakeholders, it allows the WCB to do virtually anything they want, and yet never contravening the act. But yet under the same amendments the Government is giving the WCB extraordinary powers to arbitrarily find people guilty of contravening the WC Act as long as "the Board is of the opinion that a person has contravened section . . ." That is not even close to being "due process" or a conviction in a court. (See 152.1(1)).

This is the essence of the questions. Many of the questions we have seen from the Member for Edmonton-Gold Bar over these last few weeks when he talks about the secret police and the ability of the appearance of the act to contravene human rights legislation in this country, which of course we will be pursuing, Mr. Speaker. It is a little scary. You know, we heard some members in this Legislature state there were no secret police, but I know of many cases where this secret police squad within the WCB follows people within the province. [Ms Carlson's speaking time expired] Mr. Speaker, I am not quite finished, but I will come back at committee and certainly share the rest of this story.

THE DEPUTY SPEAKER: There are two things to come right now. First of all, hon. Member for Edmonton-Ellerslie, inasmuch as you quoted quite extensively from the letter, you of course will be

tabling it? Secondly, we have comments and questions. Is that what you want to participate in, hon. Member for Edmonton-Highlands?

MR. MASON: Yes, please, Mr. Speaker.

THE DEPUTY SPEAKER: Okay. It's yours.

MR. MASON: I would like to ask the hon. Member for Edmonton-Ellerslie if she would like to continue along the lines of her comments with respect to the so-called secret police of the WCB?

MS CARLSON: Mr. Speaker, as I had started to say, I've had many instances of people in my constituency being followed without their knowledge and videotaped without their knowledge by this secret police squad. While I understand that there are some people who abuse the system, I also understand that WCB's own records places those people at less than 1 percent of people who file claims, so it seems to me on that small justification . . . [Ms Carlson's speaking time expired]

10:30

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

MR. MASON: How small a justification, Mr. Speaker?

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

MS CARLSON: Thank you. On such a small justification of so few people who abuse the system, a great many injured workers have their rights offended, I believe. To have people videotaped – I have a situation, and I have seen the videotape, because if the injured workers ask for it, it can be provided to them. I have seen videotape of a person . . .

MR. HANCOCK: How many are videotaped? Do you suppose more than 1 percent?

MS CARLSON: Oh, yes. I'm sure it's a great deal more than 1 percent. The Minister of Justice wants to get in. Please ask the question in the formal process.

THE DEPUTY SPEAKER: The hon. Minister of Justice wishes to ask a question?

MR. HANCOCK: Certainly. I'd love to ask a question. I'd like to ask the hon. member if in making the statement that less than 1 percent of people are perhaps abusing the system and then suggesting that a far greater number than that are being followed around and videotaped, she has any hard evidence at all to suggest how many people might be subjected to this type of videotaping. I wonder if she's making it up.

MS CARLSON: I have seen the videotapes myself, and if you were doing your job in your own constituency, you would have seen them too.

MR. HANCOCK: She may well have seen a videotape, but I'm sure she hasn't seen 1 percent of all the claimants to WCB being videotaped. That's the allegation she's making. I'm wondering if she can tell us if she has any hard evidence as to the quantification of the number of people who may be subjected to surveillance because of a suggestion that they may be abusing the process. Does

she have any evidence that there's a large number of people who are being followed? She's suggesting secret police. Does she have any hard knowledge of that other than having seen the odd tape or two?

MS CARLSON: They're secret police, Mr. Speaker. Their whole intent is not to be seen by the people they are surveilling.

MR. HANCOCK: Mr. Speaker, she has absolutely no basis for the comments that she's made about vast numbers of people being followed around by secret police, so she's merely speculating and extrapolating that a few cases of investigations are resulting in a large abuse.

MS CARLSON: I hardly stated that there were vast numbers of people who were being followed. I said that I suggested there were more than the 1 percent who are actually offending the process who are being followed, and I challenge the minister to get his minister responsible for this huge mess to provide the information for this Assembly so that we can properly debate it. All of these backbenchers here know what's really going on in this province.

MR. HANCOCK: Mr. Speaker, I'm wondering if the hon. member is suggesting that by speculating about a problem, she can then put the onus on the minister to come forward with all sorts of information that she speculates exists if she's not prepared to provide this House with hard evidence that such an abuse does exist.

MS CARLSON: Mr. Speaker, if the secret police didn't do the secret tape that was then made public to the person who was being followed, then tell me who did that within the WCB? Who did that? There's a whole department of ex-police people whose sole job is to follow people who have made WCB claims, and I challenge the minister to prove that that isn't a fact in this province.

THE DEPUTY SPEAKER: We have a number of people standing. The hon. Member for Edmonton-Glengarry, followed by the hon. Member for Drayton Valley-Calmar if there's time.

MR. BONNER: Thank you very much, Mr. Speaker. One of the great difficulties that occurred when WCB was moved arm's length away was again . . . [The time for questions and comments expired]

Speaker's Ruling Question and Comment Period

THE DEPUTY SPEAKER: The hon. members know well that Standing Orders permit at the end of the third speaker on a bill at second reading and third reading to ask questions and respond, but the amount of time totally is five minutes. So actually we got quite a few questions and answers. Whether it's to the satisfaction of all is another issue.

We're now ready for the next speaker on this. The hon. Member for Calgary-Montrose.

Debate Continued

MR. PHAM: Thank you, Mr. Speaker. I would like to rise to join the debate on Bill 26, the Workers' Compensation Amendment Act, 2002. I have listened very carefully to what has been said by the opposition member. Even though I do not share a lot of the things that she said, I think that she had some valid points when she criticized the WCB in the way that it handled the long-term claims. However, I would like to encourage the member to look at this Bill 26 in its entirety and vote for the principle of it at second reading, because even though this bill may not be perfect – it may not give

you everything that you look for, and it may not give the injured workers everything that they look for – I do believe that it is a big step forward.

Furthermore, it deals with the openness of the board. It will now force the board to have annual meetings open to the public. I think that's very important because one of the common criticisms of the WCB we have heard over the years is that it conducts its business behind closed doors and is not accountable to anybody. By opening the process to the public at least when it comes to the annual general meeting, the injured workers and the average Albertan will have a chance to scrutinize the way the WCB conducts its business and hopefully can hold it more accountable than it is today.

Another important point that I think is worth our support is on the Appeals Commission. I believe that the most important thing that we can do for the injured workers is to set up an appeal mechanism that can truly be seen as fair and accountable, that can bring down decisions that are not only responsible to the people who pay for the cost of the system but also are fair to the injured workers. Today many of the long-term injured workers complain – and in many cases they're correct to do so – that the WCB mandate seems to have cut them off the benefits roll to save money for the WCB.

Even though a lot of the injured workers are being handled fairly by the WCB, a small percentage of the long-term injured workers seem to consistently have this problem. The thing that they ask for is an Appeals Commission that is truly independent from the WCB, that is as far away from the WCB as possible and has the power to look at their cases on an unbiased basis and bring down decisions that the WCB has to respect. The amendment that we bring forward in this bill addresses all of that. Furthermore, the Appeals Commission will no longer be paid for by the WCB. It will be paid for by the minister, and then the minister will reclaim that money back from WCB. Even though that's a small change, it goes a long way in keeping the Appeals Commission separate and independent from the WCB itself.

When it comes to the decisions of the Appeals Commission, in the past if the WCB didn't like the decision, they could just challenge it or send the issue back through the appeal process again. They didn't have to carry it out. But under this new bill that we are bringing in, the board at WCB now is bound by the decision. Also, it sets in here the time line that the decision has to be implemented in. This is very important, because at the end of the day we will have to accept that there will be cases where the WCB and injured workers can never agree. The best thing that can happen to them and to us is to come up with a mechanism so that we can feel comfortable that they will be able to do a fair assessment and give out a fair decision.

I agree with the member from the opposition side that because we give WCB a monopoly, we are morally responsible for some of the actions that they are taking.

10:40

I would like to thank my government colleagues who have worked extensively over many, many years, who worked on those two committees to bring the information in. I'd also like to thank the Minister of Human Resources and Employment, who is responsible for WCB, for taking these initiatives forward and putting them in a piece of legislation like this.

The one thing that is different between government and opposition is that when you are in opposition, you have the luxury of criticizing the system, attacking it without worrying about the solution, about what you have to do, and without worrying about the cost of it. As you all know, we have several players on this issue. On the one hand, you have the long-term injured workers, and those of you who have followed me over the years know very well that I am a strong

supporter of them and that I'm also a strong supporter of their cause and of their fight for what I believe is rightfully theirs. On the other hand, we also have employers, who have to pay the cost of the system, and we have to be fair to them as well. We cannot just open the system and give people a blank cheque. If we do that, then we will make the system become unsustainable, and the employers will not stick around. Because of that, there are going to be severe consequences for the injured workers, the people that we are trying to help.

People have to realize that another issue that we have been working on for many, many years is the medical panel. With 95 percent of long-term injured workers' cases, you always have a set of doctors on one side, usually the treating physician or the specialist who treats the injured workers. They have medical evidence supporting that the injured workers are still sick and that the injuries were a direct result of a work accident. On the other side you have WCB doctors who say that the injured workers are fit and able to return to work. That is a huge problem, because when it comes to that, the case manager most of the time comes down with a decision in favour of the WCB doctors. In the past the Member for Calgary-Egmont has brought a private member's bill forward looking at setting up an independent medical panel that can look at this medical evidence and hand down a fair decision. That was a very good idea.

In the past the WCB convinced the Legislature that they could do this in policy, that they don't need that in legislation, but in this bill the minister has put it down in legislation, and I think that it is another level of protection that the injured workers don't have today. If you read the bill carefully, you can see not only that the WCB can convene this medical panel; the Appeals Commission also has the right to instruct the medical panel as well if they think that there is conflicting medical information there. So that again is a very positive step for the injured workers.

There is a section in here dealing with the long-term consensus claims that are still outstanding, long-standing consensus matters. The minister had indicated that he's not going to proclaim this section into law until we have had a chance to consult with the employers and with the stakeholders. That is a little bit disappointing for some of the long-term injured workers who have been waiting for quite a while to have these problems dealt with. However, given the fear that the employers out there have, I think that is probably the most practical way that we can bring this issue forward.

I believe that there are many numbers floating out there. Some are saying that this will be, you know, costing in the hundreds of millions of dollars if we want to go back and reopen these old files. I personally believe that this is something that we have to do regardless of the cost, because if people say that it is too costly, what does it mean? What it means is that we have so many cases out there that were not handled properly in the first place. If that is truly the case, then I think we have to ask the question: what is wrong with the system? We cannot say that because the cost is too high, we cannot do the right thing. I don't think that is right.

I personally do not believe that we have that many bad cases out there, and I do not believe that the cost is as high as hundreds of millions of dollars. I think that what the minister is doing is the correct way: going out, giving out this information, giving the stakeholders a chance to provide meaningful input into the process. Hopefully at the end of the day everybody will see it in the same way that I see it, that these are the things we cannot avoid, that we have to deal with as a society. We are so lucky to live in a society where the individual right is respected. The government has gone in many areas trying to correct whatever mistakes were made in the past, and in this area I believe that we will do the same thing.

I do appreciate some of the concerns and some of the worries from members of the opposition about this bill. In 1995 I was the first government member to speak up about the problem of WCB. Over the past seven years I have worked extensively with many, many injured workers from across the province trying to change the system from within, trying to address some of the concerns that they raised. Based on my experience, I think this is a very positive bill. It will help many of the long-term injured workers. If you asked me if it's perfect, does it have a hundred percent of what I want or what I look for, I would say no. But at least it is, as somebody put it, two steps forward and one step backward, so we should probably support it, and because of that, I ask all of you to support this bill in principle. When it goes through the committee stage, then we can focus on section by section of the bill, and if you think that there is something that we can do to improve the clauses of the bill, then we will be more than happy to listen at that time.

Thank you, Mr. Speaker.

THE DEPUTY SPEAKER: Any comments or questions? The hon. Member for Edmonton-Highlands to speak on the bill or to ask a question?

MR. MASON: Well, yes, I will ask the hon. member a question. I certainly am aware, at least to a small degree, of the work that he's done on the WCB, and I commend him for that work. The question I have is really whether or not he has been consistent in his speech tonight about who's responsible and to what degree they're responsible. I heard him say at first that we have to have a balance and we can't go too far in burdening the employers and then something else.

MR. PHAM: I think that I have been consistent not only tonight but over the past several years. Furthermore, we are morally responsible for WCB because we give them the monopoly. However, the employers are financially responsible for WCB because they pay for the cost of running WCB. So we have to make sure that we understand that, and we have to strike that balance to make sure that on one hand we ensure that the injured workers get fair treatment and on the other hand do not abuse the system so that it bankrupts all the employers.

10:50

MR. MASON: What if that balance does not result in the employers being willing to pay the full costs? Who ultimately is responsible for the injuries that the employees have received, and should they be denied full benefits because we can't reach the balance?

MR. PHAM: That, Mr. Speaker, is a hypothetical question. However, I do believe that we have enough money in the system to cover the costs of the long-term injured workers. WCB today can use the current resources that they have to address these cases. In any case, you know, I don't think it is a question of money but is more or less a question of practice. That's what I believe.

THE DEPUTY SPEAKER: I had invited the hon. Member for Edmonton-Highlands to speak and ask questions. Did you now want to speak?

MR. MASON: I will defer to the hon. member.

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

MR. BONNER: Yes. Thank you very much, Mr. Speaker. It is a

pleasure to rise this evening to speak to Bill 26, the Workers' Compensation Amendment Act, 2002. I also would like to thank the hon. Minister of Human Resources and Employment for getting us to this stage and also those members of the Assembly who did what I thought was an outstanding job on the workers' compensation service review input committee as well as Judge Friedman and his committee, who of course did the review on the appeals system. I think both of these reports were outstanding. They identified the issues that all injured workers felt were of utmost importance.

I think that in debating this bill, one of the things we have to do is to look at the history as to how we got this far. These two reports were initiated by the minister primarily because of the problems and concerns faced by injured workers in this province, again when these injured workers were trying to get fair and equitable solutions to their claims. As well, the issue was brought to the attention of the public by people camping out in front of WCB for over 100 days. We've also had, every one of us in this Assembly, any number of cases where injured workers have not been able to get fair and equitable settlements, timely settlements, just settlements to their claims.

We have had other situations in the past, Mr. Speaker, such as the Sims report. In the Sims report I see that there were 51 recommendations that were made to overhaul the Appeals Commission. Now, out of all those 51 recommendations there was only one – and that had to deal with court challenges – which was not accepted or where the recommendation was accepted and the status was complete or ongoing or whatever. But even after 50 of 51 suggested recommendations were in some form of implementation, the system wasn't working. So, of course, we saw a tremendous amount of frustration in the injured workers, which did culminate in the protest. At that point, the minister got involved, and the minister promised these commissions to look at issues, and we do have the reports in front of us today. Because of these reports, the process continued along and we now have Bill 26.

I thought it quite interesting in the reports and particularly Judge Friedman's – and some of the comments made there are comments that I don't think Bill 26 is satisfying or is going to satisfy. I have huge reservations about Bill 26, and I do think that in some areas, as the hon. member has mentioned, it does move us forward but certainly not forward enough.

I look at a number of comments in this damning report that Judge Friedman had made and one of the issues that he brought up – and his, of course, was on the appeals system. He goes on to say: "... the independence of the Appeals Commission by introducing a system that will make the appeals process more accountable." In some ways that certainly is what has happened here. We do have a tremendous amount more accountability by moving the appeals system away from WCB and into the department, but of course the other part of his recommendation: this not be moved to the Ministry of Human Resources and Employment but under the Minister of Justice. Another recommendation that Judge Friedman had was a "more active role by the Courts," and we do see that in Bill 26. Again, it does give the injured worker one more avenue for fair and just treatment.

I think the greatest reservation that we have is where Judge Friedman goes on to say,

Each Committee member has expressed concern about what seems to be a well-entrenched culture of denial within the WCB and one which treats many long-term disability claimants with suspicion.

Now, we've heard the Member for Edmonton-Ellerslie talk about what some of these injured workers have gone through in the way of surveillance. This is an intrusion into the lives of Albertans. This is an intrusion where Albertans do not have the opportunity, first of

all, of knowing who is filming them or videotaping them or whatever. They certainly have no recourse when the WCB comes and says: we have evidence on tape that you are capable of working, so therefore your benefits are cut off. They have to appeal that.

I saw one of these videotapes. It was of an injured worker that had carpal tunnel syndrome. I saw him just last week again. He cannot make a fist. His hands are so badly swollen. He was a welder. He will never weld again. Yet they had a videotape of this man carrying a small bag of garbage, one of the little Safeway bags, hooked onto his finger out to his garbage can, and they used that to say: "Well, you're capable of working; therefore, we're going to cut your benefits. We'll give you an earning loss supplement. You're capable of doing this work." The man did not have a chance of doing any work. This is what injured workers in this province have been subject to.

Now, you can imagine the terrible impact it has on these people. It doesn't only ruin these people when they are crippled from injuries they've received from work accidents, Mr. Speaker. Not only are their bodies damaged, but then their minds get damaged. That is another area that we don't get to see the figures the WCB has. There are a number of people who suffer psychological damage because of physical injuries. Also we have to realize, Mr. Speaker, that for so many of these people that are injured, it has a serious impact on their families: on their spouses and on their children. It certainly isn't uncommon for a divorce or separation to occur. I was talking with a fellow here yesterday who at the peak of his earnings was making over \$200,000 a year, and it played a terrible role in the breakup of his family when he was cut off benefits, because he cannot work.

11:00

It also has a tremendous impact on employers when they see what has happened to their valued employees who can no longer return to the occupations they once had. As well, when these workers get cut off benefits from the WCB that they should have, Mr. Speaker, we load this on other safety nets that we have, whether it be AISH, welfare, or the Canada pension plan, and the organization that should be hauling the freight and paying the price is not doing it.

So we obviously do have a tremendous, tremendous amount of work to do here in order to make this bill a better bill.

Now, then, the issue that is identified in the bill is certainly accountability. Probably the one greatest error we made when we moved the WCB to arm's length from the department was the fact that we did not put in any checks and balances, that they became accountable unto themselves. It was extremely difficult for anybody to even get their case away from the WCB and into the courts, but it has been done.

As well, when we look here, we see that they have identified that there's going to be a review process for long-standing, contentious claims. I think that is a strength of this bill, but the weakness in this bill, Mr. Speaker, is that many of these long-standing, contentious claims are legitimate. These people have been denied the benefits that they should have had for years. These will amount to hundreds of thousands of dollars.

While this was happening, Mr. Speaker, there's another thing that happened. Again, we go back to the accountability of the WCB. From their annual report we see that in 1999 they started with the rate and benefit stabilization reserve. Now, this is a fund that was set up to deal with long-term injuries, long-term, contentious claims,

whatever. They started with \$211 million. They removed \$55 million from the fund balance that particular year. I suppose the reason was that they knew that this whole process was going to be challenged, was going to be changed. That remaining \$156 million was removed totally from the rate and benefit stabilization reserve. The moneys that had been set aside – all the moneys: the \$211 million we started with, which was absolutely more than adequate to settle every one of these long-term, contentious claims – they removed from that fund.

As well, some of these claims go back prior to 1988, when the Appeals Commission was established. At that time, I think appeals went directly to the board of directors. This government right here, the minister, appointed the board of directors. Does that mean now that this body here is responsible for those long-term, contentious claims that occurred before we set up the appeal process? There are a lot of strong feelings out there that in fact it is our responsibility here, not WCB's. So we do have another issue to look at there: who pays? Now, to turn around and load this back up onto the employers is not correct, particularly when we did remove that from them. As well, we have to remember, Mr. Speaker, that the employers in this province have also had the benefit of some very good investments that the WCB has made with their resources.

Now, when we look at the average actual compared to average required premium rate – in other words, what the employer paid compared to what the cost was to run the WCB – we can start back in, for example, 1996. It cost \$1.50 per hundred to run the WCB, and what people paid was \$1.49. When we look at 1999, the employers paid 58 cents less per hundred than what they should have paid. In the year 2000 they paid 62 cents less. Therefore, the employers have got their break, and the people that haven't got the break are the injured workers.

Mr. Speaker, I look forward to speaking more to this bill when we do reach Committee of the Whole. Thank you very much.

MRS. McCLELLAN: Mr. Speaker, I as well as a number of my colleagues in the House I know have some comments we would like to make on Bill 26. Some very good comments have been made regarding the bill tonight. I know that there will be a continuing debate as to whether the bill goes far enough, whether it corrects all of the concerns that have been raised by a number of my colleagues certainly and members opposite. However, I would concur with my colleague from Calgary-Montrose that it is a good step forward and certainly gives us something to build on and work towards to alleviate some of the concerns of our injured workers who feel that all of their concerns haven't been met.

Mr. Speaker, I would like to comment in some further detail on this bill, but I would move at this point that we adjourn debate.

[Motion to adjourn debate carried]

THE DEPUTY SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 11:08 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]