

Legislative Assembly of Alberta

Title: **Monday, March 24, 2003**

8:00 p.m.

Date: 2003/03/24

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Motions Other than Government Motions**

Regional Police Service

504. Mr. Griffiths moved:

Be it resolved that the Legislative Assembly urge the government to take the steps necessary to establish its own regional police service including a regional police commissioner by 2007.

[Debate adjourned March 17]

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I'm happy to have an opportunity to get involved in speaking to the motion that talks about a regional police service. Having read through *Hansard* and seen what was discussed previously, I'm a little surprised at the debate that's taken place because it doesn't seem to really be relevant to the motion that is before us. That motion is: "Be it resolved that the Legislative Assembly urge the government to take the steps necessary to establish its own regional police service including a regional police commissioner by 2007."

What we heard from the Member for Wainwright, who introduced this motion, was really to begin with a lot of fed-bashing. He talked about the problem not being with the RCMP but with the federal government and the contract they have with them, so the process rather than the implementation of the police force. Then he went on to talk about some of those things that they saw as roadblocks in their dealings with the federal government in terms of how they negotiate to get more police people. Then he stated: it's imperative that the government be in a position to negotiate if it's to effect these improvements. So my question to that hon. member is: is he really talking about negotiating, or is he talking about entering into these negotiations in 2007 with a threat, saying, "You take it our way, or it's the highway," which has been a standard practice of this provincial government when dealing with the federal government? That is not, I think, what the people of this province want when they come to a police force.

What do they want? They want our communities to be as crime free as possible. When crimes are committed, they want the police force to be able to solve those crimes and to bring the people who commit the crimes to justice as fast as possible. They want competent, well-trained police people on the street and in the field. Will we get that with the provincial police force? You don't talk anywhere here about how that agenda will be met. What they do talk about and what I see the Member for Calgary-Buffalo talk about is cost. So he doesn't seem to think that . . .

The Deputy Speaker: I hesitate to interrupt the hon. Member for Edmonton-Ellerslie, but under Standing Order 8(4), which provides for up to five minutes for a sponsor of a motion other than a government motion to close debate, I would now invite the hon. Member for Wainwright to close debate on Motion 504.

Mr. Griffiths: Thank you, Mr. Speaker. I'm sorry. I was under the

impression that seven minutes meant seven minutes for the member, and then I had five minutes after that.

The Deputy Speaker: Two for the member and then five.

Mr. Griffiths: Thank you.

Ms Carlson: I'll take your five.

Mr. Griffiths: No. No. That's all right.

Mr. Griffiths: Mr. Speaker, I guess I would like to address some of the concerns this evening that were raised by some of the other members during debate, particularly the Member for Edmonton-Centre. Actually, a few members have raised the point that they are concerned that the motion that's been written and that's been presented before this House doesn't just propose to take the steps to get ready to prepare for debate in 2007 but, rather, actually prepares to move to regional police services and to prepare for Alberta to move entirely on its own.

I would like to give an analogy that my dad always used to give me when I was a kid. He said: when you play cards, if you're going to bluff, it's best if you have four aces. Mr. Speaker, the way I equate that analogy to what the members have asked about actually preparing for a provincial police force is that it would be extremely difficult to move into negotiations telling the federal government, telling anybody that we're not actually serious about it, that we're just doing it for negotiations. If you're going to move into negotiations and you're going to take it seriously and you're going to try and work the best deal you have, you have to be prepared to take the alternative. You have to have the four aces in your hand that say that you can win either way. So if we're going to prepare this – as I suggested, the preparations for moving to regional police services in Alberta – we have to be fully prepared in 2007 to be ready to go to regional police services at that moment, not just contend that we might. We can't fake it, Mr. Speaker. We have to actually be prepared to do it. So I hope that addresses the concerns of those members.

Some of the other questions that were addressed. The Member for Edmonton-Riverview said that he didn't want power centralized in the province, Mr. Speaker. I find that really strange. He also raised the questions: why couldn't we work with the federal government and resolve the issue, and why couldn't the Alberta government contribute more funds? We're dealing with three levels of government: a local level of government, a provincial level of government, and a federal level of government. Negotiations in any circumstance when you're dealing with three levels of government are of course difficult, but the problem is compounded when you're dealing with the federal government, which is in charge of the hiring, pays for a small portion of the contracts; a provincial government, which pays for a portion of the contracts; and municipal governments, which actually sign the contracts and have the deal. The confusion from district to district, region to region makes it really difficult for the police services that we have now to co-ordinate their activities and make sure that they're as effective as can possibly be.

Mr. Speaker, some of the other members have brought up the point that they find it extremely difficult and confusing to think about losing the RCMP and moving to an Alberta provincial police force, which may be the consequence of this motion. They brought up issues that I wasn't even presenting with this motion, but I'd like to point out to the members that the first police force in this province, one that we had until we hit the Dirty Thirties, when

financing made it difficult to provide a provincial police force, was an Alberta provincial police force. I mean, the heritage and history is a completely separate issue and I don't think should even be identified on this particular argument. [interjection] I've got a sore throat. I'm sorry, Mr. Speaker. I have a cold. It makes it very difficult to continue talking.

Mr. Speaker, I think I've addressed all the concerns. In summary, I guess what I'd like to say is that we have a history and tradition in this province of doing things that suit this province well, of assuming our own identity, of being in charge of ourselves, of being responsible for ourselves. I think it's very important that we prepare ourselves to assume responsibility for whatever comes up, and I encourage all members to support this motion.

[Motion Other than Government Motion 504 carried]

Water Supply Standards

505. Dr. Nicol moved:

Be it resolved that the Legislative Assembly urge the government to create an organization similar to the Clean Air Strategic Alliance for Alberta's water supply to ensure that Alberta's water supply is maintained at the highest standards possible.

The Deputy Speaker: The hon. Member for Lethbridge-East.

Dr. Nicol: Thank you, Mr. Speaker. It's important that we reflect on the role that water is going to be playing in Alberta's future. If we look at what is really needed in the upcoming period of transition that we're going through with our water and our water supply in Alberta right now, it's the idea that we have to have a true commitment to water quality. I think anybody who has been involved in agriculture, in human consumption, in industrial use recognizes fully that the quality of that water is really critical for the things that we're going to be doing and the direction that we'll be taking in our province.

We are here asking the government to create an organization similar to the Clean Air Strategic Alliance to look at water. The Clean Air Strategic Alliance has been a very successful effort by the government to bring together all the stakeholders, all the interest groups that are involved in clean air and get them into a position where they truly can listen, study, solve problems, and build all of that around a vision for this province.

8:10

Mr. Speaker, I'm familiar with the fact that the Minister of Environment has been telling us that toward the end of the month there will be a water strategy paper put on Alberta Environment's web site, but what we need is an organization whose mandate, whose true mandate is to go out and make sure that all of the people in this province are aware of both the benefits of quality water and the costs associated with allowing our water systems to become contaminated.

It seems like in Alberta we keep talking about the idea that we've got lots of water, yet the last two or three years really emphasized the fact that we don't. When water becomes short, it concentrates. We end up with concentrations of chemicals, either natural or human induced, industrially induced, into the water systems, and those levels of contamination or pollution in effect become more critical when there are dry periods, when there's concentration in nature. Also, when we look at how we interact with it in terms of what the impacts are of business activity and what the impacts are of human activity, we need to make sure that that quality aspect of our water

system is truly looked at and that we start and make a real commitment to first of all developing that vision that will then give us a direction of where to go as a province.

This water strategy paper I think is the government's most recent attempt at trying to define where we should be going with our water, but historically we've always seen the discussion around water focus on the quantity issues. What we'd like to see the government do through this organization is look at issues that are associated with quality just like the Clean Air Strategic Alliance is dealing with air quality and the impact that that has on individual Albertans, communities in Alberta, and us as a province, both in terms of our commitment to each other and also our commitment to, you know, kind of a vision or a perspective of what we want Alberta to be.

What we need is for this organization to begin to look at a visioning statement and start to plan for what we need to do about quality issues over the next five, 10, 15, 20 years and into the future. It's so important. If we are going to recognize that that quality in what we do about our water system is as equally important as quantity, then we've got to start planning now, thinking now, bringing together the groups now that will in effect result in some actions starting sooner rather than later to make sure that if nothing else we act to keep our water at current standards so that we can then begin to say: what do we need to do to bring it up in quality to prevent its further deterioration? This, Mr. Speaker, can run the whole gamut from the ideas of what about water for human consumption, what about water for our in-stream flows, what about the qualities that are necessary there, what are reasonable in-stream flow levels, what are seasonal variations in those kinds of things and how does that variation in water quality over seasons affect, you know, the basic ability of nature and human and commercial activity to function?

You know, it's always quite amazing when you look at some of the differences in the quality of water that's brought into our municipal water systems. We look at what this is doing to the capacity of those systems, the workload on those systems, yet when we get to the tap, almost all communities in Alberta have what is probably some of the highest quality water anywhere in the world. But every now and again we have incidences that in effect cause some real concern among Albertans, and what we need to do is look at how we can start telling Albertans that we're aware of that, we're doing something, and we're going to make a difference.

If we were to send a message today to the government by accepting this motion, we can start to plan for an organization made up of the stakeholders that are involved, whether it's, say, environment groups that want to maintain stream flows and quality in stream flows, whether it's members of the local municipalities that want to deal with the burden or the load factor on their water plants, whether it's issues like: how do we deal with making sure that the rural water systems that are being proposed to provide potable water to all of Alberta have quality components built into them? We've got to make sure that that approach to our water system does reflect on all of those available issues.

There's a lot of information becoming available now that really shows even things like if our livestock industry has fresh water that's of a high quality, the performance for those animals is significantly better than with water that has contaminants or that is less pure. So what we need to do is look at making sure that our groundwater systems are protected for rural Albertans and our stream-flow systems are protected in a quality way for the agriculture industry, Mr. Speaker. I'm not talking here just about the issues of irrigation but just basic availability within the livestock sector and the communities. The more you discuss water and water quality with

our commercial and industrial users, they focus on the fact that it's becoming more and more costly to them to get the water to the standard that they need for their processes, that they need to make sure that their processes work.

So I think it's a good idea that we do send a message today, that we focus on the idea that this is something we should start, and I hope everybody in the Legislature moves to support this motion. Thank you very much.

The Deputy Speaker: The hon. Minister of Environment.

Dr. Taylor: Thank you very much, Mr. Speaker. I'd just like to thank the member opposite for his comments. I can say in general that I as Minister of Environment personally agree with most of what he has to say. I just want to make a couple of points of clarification in a brief few minutes.

One I would point out to him is that the quality of Alberta's water is the best in the country. We're only one of two provinces – one of two, Mr. Speaker – that has adopted Canadian clean drinking water quality standards in either legislation or regulation. It's important to recognize that. We will continue to improve our standards as the technology becomes available. An example I might think of is that right now we're at five parts per million of particulate matter in our drinking water. Technology will soon become available to go to three and probably then to one, and as technology moves forward we will in consultation with the communities move to those higher standards, once again the only province that will probably do that.

8:20

It does raise some issues, though, because in big cities like Edmonton, Calgary, or Lethbridge, where the member is from, it's easier to move to those higher standards because the volume they put through keeps the cost down. The member probably has a few smaller communities in his constituency as well. I'm not exactly sure; maybe Barons. [interjection] No? Okay. It's much more difficult. Bow Island, for instance, is right now at .5 parts per million, and they're succeeding. But to move down to three parts per million becomes incredibly expensive for smaller communities. So one of the things I've asked the AAMDC and the AUMA to do is look at how tightening of these drinking water quality standards would affect their smaller communities. As I say, it's not an issue in the larger communities, but it could be a significant issue in the smaller communities. Once again, knowing Bow Island very well, they're almost borrowed to their max already, and for us to put more burdens on some of those communities may be difficult.

This is an issue that is ongoing. We need to continue to improve. We're not perfect. As I say, one of the two best in the country, but we're not perfect, and we can improve. I just wanted to raise that as a bit of a concern to the member.

He's quite correct that typically when we talk about water quality, we've only talked about drinking water, and we need to expand that definition to what I would call raw water as well. You're quite clearly going to see this on Thursday or Friday of this week. Our draft of the water strategy will be put on the web site, and you'll quite clearly see that the quality issue is not just around drinking water. You'll quite clearly see that the issues he raised around groundwater are in the water strategy that we're putting forward.

The concept of having a body like the Clear Air Strategic Alliance to talk about and advise government on water issues is certainly a valuable one. In fact, that's the way we came up, not in such a formal way, with the water strategy. We invited between 100 and 120 independent people, stakeholders to come to Red Deer last end of May or early June – I've forgotten the exact date – to talk about

these issues. We then put what they had on the web site, and we got literally thousands of responses to that. This draft water strategy is going to actually be mailed out to 1,300 different stakeholders. It'll include municipalities, environmental groups, irrigation, agriculture. You name it; it's going out. On top of that, Mr. Speaker, it will be on the web so people can reply, and we're going to allow about a month or six weeks for a reply. We'll get in that information, and then I hope that – well, I'm fairly confident – we'll have our final strategy available in September.

With the comments that this member has made, I hope that he'll support the final strategy because many of the things that he's talked about will be in that final strategy. It'll be much broader than what he's talked about because in the time allowed to him, he certainly couldn't discuss all the issues, but the issues that he's talked about will be there. For instance, we're recommending an overall group like the Clean Air Strategic Alliance, some kind of water governing council, but we're going to even go further than that. What we're recommending is that under the large water provincial council there be a basin council which would feed into the water council, and under the basin council, then, there'll be a local council that looks at individual rivers and management on those rivers. Each will feed into the other. In one sense our recommendation in the water strategy – I realize that I'm giving a bit of it away here – will be even more complete than the Clean Air Strategic Alliance, which is a provincial body. Now it is represented by people obviously from all over the province, but it doesn't have the same kind of feeder system or farm system, if I could call it that to use an athletic metaphor, that the water council will have.

So I think the member has raised a number of good points and certainly recognizing – and I have been saying publicly for some time that water is the important issue of the 21st century not just in Alberta but really on a worldwide scale. They had a United Nations conference on water recently in Kyoto, Japan, and quite clearly that's what the results of the conference were: recognizing that we need as a world to have certain strategies around water. So it's not simply an Alberta issue, but it is very important in Alberta because, as I've said repeatedly, unless we have a comprehensive and complete strategy, we simply will not have water for future economic, population, agricultural, or environmental resources as we go forward. It's simply impossible. If we get another million people in this province, which it looks like we will, Mr. Speaker, we're going to have significant difficulties around water, as I said, its utilization. I believe as we move forward, you're going to see that a lot of the water strategy is going to have to talk about conservation.

I spoke to an irrigation council here – I don't know – a month, six weeks ago and pointed out to them that irrigators are licensed to use roughly 76 percent of the surface water in this province, and they have to be better utilizers of water. So one district, the Eastern irrigation district, is actually giving its members an incentive to move to down drops. Apparently it costs, you know, \$7,000 to \$10,000 for a down drop. Eastern irrigation is giving its members incentives to move to pivots, away from flood irrigation, and it's one of the models that I use.

I say to St. Mary's, which is a large part of my constituency: why aren't you guys doing the same thing? You have to be proactive in encouraging your users. But it's not just the irrigators; I use them as an example. Communities, cities have to be proactive in encouraging their users of water to conserve as well. The one I often use, of course, is Calgary. Not to pick on Calgary, but you know half their city has meters; the other half doesn't. The half that does not have the meters uses double the amount of water. Actually, the city has a 15-year plan to have everything metered, but quite frankly as we

move forward towards conservation, I don't believe 15 years is quick enough.

Also, Mr. Speaker, we can look at the oil industry. The oil industry has to utilize and conserve water, and they realize that. We're having as a department discussions right now with the oil industry as to how they can better utilize water, how they conserve water, and so that's certainly an issue. Any strategy we have to have has to be based around conservation because unfortunately we can't create more water.

Now, we can do a better job of mapping the groundwater. We quite frankly don't have a good idea of how much groundwater we have in the province, where it is, or what the quality of it is. We have some good examples in basins, for instance, and close to the member's riding, in the Milk River basin. There's been a lot of research done there on groundwater. What's amazing to me is that the scientists, the hydrologists tell me that in the St. Mary's River basin from the time the water is on the surface till the time it goes in the river, percolates down, then comes back up in people's wells is something between 10,000 and 20,000 years. When I first heard that, it blew me away, Mr. Speaker, to think that when I take a drink in Etzikom or when I take a drink in Foremost, I'm drinking water that's 10,000 to 20,000 years old. Now, when you explain that to people, you know, it does blow people away.

So one of the programs we've got going right now – and a previous Minister of Environment started it, so I can't take the credit – is capping unused wells in the Milk River basin. I'm not sure if it was that member there nodding his head, the present minister of intergovernmental affairs.

Just let me conclude by saying that we've got a lot of exciting things that are going to happen, and I don't think the member's motion goes far enough, but I personally am pleased to support it.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. It certainly was a pleasure to hear that the Minister of Environment is going to be supporting this particular motion. I think it comes as no surprise to anyone in this Assembly that I strongly support this motion, and to use the Minister of Economic Development's words from earlier today: every once in a while the Official Opposition has a positively brilliant idea. And this was one of them. This was one of them.

We've looked at this water problem for about 10 years and brought forward a lot of suggestions for the government. We're anticipating this new water strategy to come out any day now and know that it'll be a step in the right direction, but we need to take the politics out of the debate and discussion and put the science in. This is what we believe this kind of an alliance, like the Clean Air Strategic Alliance, or CASA, as it's better known in this province, would do. It's really nice to have the farm teams like the minister is talking about feeding information into a board, but our experience with boards in this province over the past 10 years has not been a completely positive experience, and in fact the government would share that reservation because there have been times when they have completely disbanded them.

8:30

If they were to take a strategy like they have with CASA and literally bring all of the parties who have a vested interest in ensuring that we have clean water and that we have enough quantity of water to sustain us now and in the next five years, the next 20, the next 50, the next 100 years – that's what we need to be looking at for a solution. That takes a kind of organization like CASA has evolved to, where while they don't actually have any teeth to implement

anything, they can make strong recommendations where they are truly representing all those directly affected parties in the province. The government, to their credit, has listened to this organization, has started to work to implement some of the strategies they've brought forward, and that's all very positive. I think it's very important that we put something like this in place because I did have a little concern with some of things that the minister was saying, particularly in his opening remarks. He spent a lot of time talking about water quality. I agree with him when he says that the quality of the water in this province for drinking water is the best in the country, if not the best then the second-best, and it's great that they've adopted the clean water standards and that they're continuing to improve them.

But what about water management practices? That's where the real issue is. We've got clean water. It's easy to keep those standards in place to be able to maintain that, but what we have to be concerned about now and in the future is water supply. Who gets it, where's it going, and where's it coming from? Those are the big issues that we need to answer in the coming decades and things that I don't hear anything on from the minister now.

You know, one of the questions we have to ask ourselves when many groups are competing for water, whether that's industry or agriculture or people or the ecosystem – all of those groups are competing for it. It's becoming a scarce resource in this province. In spite of what people think, we do not have an overabundance of water in this province. We have in Alberta I think perhaps the least amount of surface water that any province in this country has. It is becoming a scarce resource. So when we have all these competing interests, we have to start having the debate and the discussion about how we allocate those scarce resources. Do we pipe the water to the people in the industry, or do we move the industry and the people to where the water is?

We've seen already some real forward-thinking strategies happen with municipalities in this province. If we talk about Okotoks, which the Speaker is very familiar with, Okotoks has passed some bylaws on their growth. They're saying that they can't sustain more costs for infrastructure and for supplying some of their needs like water. They have put a cap on the growth in that particular area. That's a very smart thing to have done because the cost of providing those services over time will become immense. Well, we have many areas like that in this province.

To look back at something that was said earlier in question period today by the Minister of Municipal Affairs, he said: if we were to take a look back a hundred years – it's 98 years since this province became an official province – and were to start the planning over, would we do things differently? He was talking about municipalities, but I'm talking about water. Would we have put irrigation systems in like we did? Would we have put dams in like we did? Would we have located the cities where we did? I think those are questions that all of us in here can think twice about when we try to answer them, and there are some things that we would do differently knowing what a finite resource we're actually dealing with in water.

So those are the kinds of questions that we need to start talking about and finding solutions to. The Minister of Environment talked about the length of time it took for groundwater to seep through and become available for people or industry to use, and he's very right. If he knows that so well, then why in the world would he be allowing freshwater injections into oil wells when he knows very well that it is not going to be in the next 10 lifetimes of anybody that he is related to when they can recover that water from those deep well injections and reuse it again? It just isn't possible. It just takes too much time. So we need to be smart about our water management practices now, and we cannot make ourselves available to political

lobbying, whether that be from green groups or whether that be from industry, whether that be for intensive livestock or whether that be from existing agricultural users. We have to take that lobbying and all of those politics out of the decision-making, and we have to put the science back in it.

That's what CASA, the Clean Air Strategic Alliance, has been able to do. They've spent about 10 years doing it now, and they've done a very remarkable job. They are well respected by all groups in this province. Not everyone likes all of their decisions, but that's fine. On a consensus basis they have come up with some really good ideas, and they have moved the issue forward in terms of keeping our water clean and taking a look at how to work on progressing by still allowing industrial development and industrialization in this province but ensuring at the same time that we maintain not only high air quality standards but move towards higher ones. That's exactly what this water strategy group could do.

It looks like the minister is halfway there. We want him to just take the extra half a step to. . .

An Hon. Member: Go the whole way.

Ms Carlson: Well, sure. It would be great. We see some support for this particular motion from other people in the government, and what we do know from the past, Mr. Speaker, is that when the Official Opposition has a brilliant idea, it takes about two years from the time we bring it onto the floor of the Legislature until it's adopted. [interjections] Well, it's true. We've seen it happen over and over again. Now I'm hearing some moaning and groaning and a little laughter, but who I'm hearing it from are the newcomers to this Assembly. Those people have only been here for two years. When they've been around for four years or eight years or 10 years like myself, they'll see that over time there have been some really great ideas that have been brought forward by the Official Opposition that have ultimately been adopted by this government.

Mr. Ouellette: That's a good thing.

Ms Carlson: That's a very good thing. It is.

Mr. Ouellette: Everybody gets the odd decent idea.

Ms Carlson: Well, we get lots of decent ideas. You guys just figure out how to pick a few of them. This is a good one. We see right off the bat that the Minister of Environment thinks that it isn't a bad idea too, and he's quite prepared to vote for it. When I take my place, I'm going to try and talk the Leader of the Official Opposition into calling the vote soon so that we can get the support for this on the record. [interjection] Yes. I hear that the Minister of International and Intergovernmental Relations is telling me not to overdo it, that what could have been a good idea could be lost on a vote if I press our position too hard. I won't do that. I expect to see him and a few other people in this Assembly stand to support this particular motion when it comes to a vote because it's a really good idea, and we will give the Minister of Environment lots of credit for actually acting on it in a timely fashion. Don't worry about that. It'll be a great place for him to be, and he'll look wonderful to lots of people in this community from all different groups.

Mr. Broda: He already does.

Ms Carlson: Well, I have to differ with that particular opinion. The Member for Redwater had comment. I know from the e-mails and the letters and the comments I get that that isn't always the particular

position that that minister is thought of, but in this case I will be his champion as well if it comes to him putting this particular strategy in place.

So we're looking forward to seeing that as an outcome, Mr. Speaker, when we see the water strategy that he has rolled out in its final implementation in the fall, and definitely we'll be talking about that over the summer, about how this is a good idea and we're not too far apart, and hopefully at the end of the day we'll see a fine resolution.

Thank you.

The Deputy Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Good evening. Thank you, Mr. Speaker. It is a great honour for me to have the opportunity to join the debate on Motion 505, and I am very pleased to be able to do so. The idea that Motion 505 puts forward is a very good one, so good in fact that as I was reading, I thought the Leader of the Official Opposition, the sponsor of the bill, had crossed the aisle and joined the government caucus. All kidding aside, the hon. Member for Lethbridge-East is to be congratulated for introducing such a worthwhile motion as this. Taking a stand for water, for improving the quality of our water, and for protecting our sources of water is always important.

One of the things we learn early on in life in places such as introductory biology or physics courses in junior high school or maybe even earlier in a life sciences course in grade school is that without water nothing could exist. Water, this liquid that is so commonplace and so ordinary a feature of our lives and that we all take for granted, is really an essential component of life. Therefore, putting a premium on clean water and measures to safeguard water quality is in everyone's interest. All of us are all too familiar with the tainted water scandals in Walkerton, Ontario, and North Battleford, Saskatchewan, in recent years. In Walkerton, if you'll recall, Mr. Speaker, seven people died and more than 2,000 became ill after drinking water contaminated with E coli bacteria not quite three years ago. It is therefore not an exaggeration to say that unclean water affects us all, and the impact of unclean water is all negative. Nothing good can come out of polluted water, and as a result we must remain vigilant in preserving and protecting our water, always making sure that we're upholding the highest standards possible.

8:40

Mr. Speaker, in the past Alberta was able to manage its water supply thanks to a relatively abundant supply of clean water to meet Alberta's needs and maintain a healthy aquatic environment. As the population has grown, however, Alberta has seen rapid industrial, agricultural, and municipal growth, which has increased the pressures on existing water supplies, thereby potentially affecting the quality of surface water and groundwater. At the same time, nature's unpredictability has placed overwhelming demands on existing water supplies. For instance, consecutive years of drought conditions in most areas of the province have led to water shortages.

Now as ever the Alberta government is committed to ensuring that the province has an effective and sustainable way of conserving, managing, and protecting our water supplies which will preserve the environment while maintaining a high quality of life for Albertans. Here I would like to repeat what the minister has already pointed out, that Alberta already has one of the best water quality ratings in all of Canada. Alberta is one of only two provinces, the other being Quebec, that are in full compliance with the Canadian drinking water standards.

The Alberta government, though, Mr. Speaker, is not resting on wilted laurels. Instead, the government is already hard at work developing a provincial water strategy, as the minister pointed out, known as Water for Life, and I would invite all members as well as the Leader of the Official Opposition and anyone else who is interested for that matter to visit www.waterforlife.gov.ab.ca to learn more about the provincial water strategy. The development of this provincial water strategy has been under way since late 2001. The goal is to have an action-oriented water strategy, one that identifies specific activities and initiatives, in place by the fall.

Mr. Speaker, Motion 505 calls for the government to “create an organization similar to the Clean Air Strategic Alliance for Alberta’s water supply to ensure that Alberta’s water supply is maintained at the highest standards possible.” The thrust of Motion 505, therefore, is the establishment of what we may call a clean water strategic alliance, given that the objective is to create an organization similar to the Clean Air Strategic Alliance. One of the most appealing features of the Clean Air Strategic Alliance, or CASA as it’s often called, which has been noted by earlier speakers is that the makeup of the organization includes representatives of each of the three major stakeholders: government, industry, and nongovernment organizations such as health and environmental groups.

As well, in developing and applying a comprehensive air quality management system for Alberta, CASA operates through a collaborative, consensus-based process. This is a commendable approach. It is worth noting, Mr. Speaker, that it’s a well-known fact that agreements reached through a consensus exercise are likely to be more innovative and have greater longevity than those agreements reached through traditional negotiation processes. Where could such an approach be more crucial than when dealing with the very liquid upon which life as we know it depends? This is an issue where we need to have widespread agreement and understanding of the long-range impact of our decisions. This is not an area that should be subject to too much negotiation.

As evidence of the success of the consensus-based approach I would offer up the following. Significantly less gas has been flared in the province since the EUB implemented CASA’s recommendations for reducing solution gas flaring in 1999. The EUB estimates that in 2001 flaring of solution gas was reduced by approximately 50 percent from the 1996 baseline level of 1.7 billion cubic metres, doubling the 25 percent reduction target for 2001. Further proof that CASA plays a significant role with regard to Alberta’s air quality is found in the fact that in 2001 its mandate to resolve air quality issues in Alberta was renewed by its stakeholders for an additional three-year period ending next year. In other words, the CASA consensus model, if we may call it that, works quite well and to the benefit of all Albertans. There’s no reason to believe that it couldn’t be modified to be applied successfully to our water.

Mr. Speaker, I would like to draw our attention to one significant factor that we must consider here. Unlike air, water can be sold and is a commodity. If nothing else we know this because each and every month we receive a bill for our monthly water consumption; we do not, however, receive a bill for our monthly air consumption. [interjection] Well, they may do that in the north; I’m not sure.

Water, unlike air, can be harnessed, controlled, and distributed in accordance with need. It can also be redirected, for better or worse I might add. Modern history, as was mentioned again, is filled with dam-building projects, river diversions, and man-made lakes. The same cannot be said about air. Perhaps we have no choice but to try to operate by consensus when it comes to air since air cannot be harnessed, regulated, hoarded, or otherwise manipulated. It is in our best interest to work together to improve air quality. I hasten to add that by saying that we cannot manipulate air, I am referring to our

inability to control at will the flow or the abundance; needless to say, we have proven ourselves to be very adept at manipulating what we put into the air. Due to this very basic yet fundamental difference, I’m not sure that an exact duplication of CASA can be realized for our water. As far as I can tell, it is imperative that the government retain its proper regulatory authority.

Having said that, Mr. Speaker, the spirit and intent of Motion 505 are commendable. I’m very pleased to see that the Official Opposition has approved of the actions the government has taken on this matter to date, and I hope that such co-operation in common areas of concern will be more frequent in the future.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Speaker. It is indeed a pleasure to speak this evening on Motion 505, a very excellent motion brought forward by the Official Opposition and sponsored by the leader. I listened intently as the hon. Member for Edmonton-Ellerslie was speaking and enjoyed all the comments, none any stronger than those from the hon. Member for Innisfail-Sylvan Lake. He’s very familiar with water standards, particularly in Sylvan Lake with the impact that’s occurring in his constituency right now with the growth that is proposed there.

I also listened intently, Mr. Speaker, to the comments by the Member for Spruce Grove-Sturgeon-St. Albert, certainly when he talked about nature’s unpredictability of water supply. A number of years ago I used to park my trailer out in the constituency of Spruce Grove-Sturgeon-St. Albert, and the people’s farm that I parked my trailer on were the Carsons. Now, Mr. Carson at that time was about 75, and he used to relate to us the story of how his grandfather, who had homesteaded that particular property back in the 1800s, had written away to Scotland to get granite stones so they could mill their wheat. They actually had enough water power at that time on the Sturgeon River to mill their wheat. Certainly, we couldn’t do that today. Nature is very unpredictable.

I also heard with great interest late last fall Dr. Schindler speak on water in this province, and certainly Dr. Schindler’s comments are to be respected and listened to. Any number of people have talked about his work and how the quality of his work is up to Nobel prize standards. So when someone of this reputation speaks, I think it does us all well to listen. I was shocked when he was talking about the supply of water that we have in this province that the Peace and Slave rivers, the rivers that we think in northern Alberta supply a tremendous amount of water and have a tremendous amount of water, those major rivers in Alberta are flowing today at 30 percent less capacity than they flowed at 100 years ago.

So, yes, I think that in this whole discussion we are having on the water strategy, one of the things that we do have to take into consideration is the supply. I also think of the Athabasca River, whose headwaters are at the Columbia Icefield, and we look at pictures back into the 1920s of how that enormous glacier spread across the floor of the valley, and now it has receded past the floor of the valley and up the mountainside. So certainly I think that if we were to look at that as being a major source of water in this province in the next 100 years, we would have to say that we could possibly have the Athabasca and the Columbia rivers, which are both fed from those icefields, being probably dry at their headwaters because there won’t be any more glaciers.

8:50

So we do have a problem, and other members here this evening have talked about how we don’t want another Walkerton here. We

don't even like it in this province when we have alerts to boil our water, and that has happened with greater frequency over the last few years. It was quite interesting even looking over a hundred years ago to Cape Breton Island, to Louisburg and the fort there and the problems that they encountered because they didn't know what they were doing when their water became contaminated. We do want to avoid all of those types of situations, so water quality is critical.

I think that with Motion 505, that has been proposed here this evening, the clean water strategic alliance will move us along so that we can have sustainability not only in our communities but in industry as well. I think that what we have done here as well is very, very important because we have identified and prioritized this issue, and it is so important.

Just last fall in this Legislature, Mr. Speaker, as a group we passed a bill which would allow the building of a pipeline for the interbasin transfer of water, which probably was a first for this province, and one of the reasons we were able to do that is because those basins join up further down the line as well. So I think that's very important.

As well, I like the idea in this motion, Mr. Speaker, that all stakeholders will be involved in the development of this strategy. Certainly, when we look at industry, it is critical that they are involved because business does have a track record in this province of being able to solve problems very cheaply. They meet their standards quickly and much more efficiently than a lot of people give them credit for. So it is quite important that we do have a commitment from all members.

Now, then, another issue that we have to look at in this province because we are expanding not only from a population base but from an industrial base is that the demands on our fresh water are growing, and I certainly took with notice the comments made by the Member for Edmonton-Ellerslie when she spoke earlier, and she talked about the freshwater injection that is occurring in oil wells here in this province.

It was just on the weekend that a fellow was telling me that he'd been ice-fishing up around Barrhead, and they were up there before the sun came up and got out on the lake and got their holes drilled, and as they were doing that, a water truck backed up, filled up with water, and left. Then about a half an hour later a fish and wildlife officer came along and asked them if they'd seen this truck back up and fill up with water, and they said: yes. He said: I guess I'll have to get up a half an hour earlier tomorrow in order to catch them.

So we do have, even at this stage in Alberta, some companies that are acting unethically and illegally, so it is critical when we do look at a freshwater strategy that there are some controls, that there are some penalties for those people who do violate our clean water strategic alliance.

So, Mr. Speaker, I do put an awful lot of importance on this particular motion. It is one of those motions that certainly has vision to it. It will allow us to develop an action plan before it is too late, when there is a tremendous amount of stress on our freshwater and our clean water in this province.

So in closing, Mr. Speaker, I would urge all members of the Assembly to certainly support Motion 505, and I know from all the comments we've heard here this evening and the many more that we will be hearing – and I'm sure the Member for Innisfail-Sylvan Lake would like to speak to this motion because of the impact on that beautiful lake down in his constituency and the growing demands, the developments that are on that lake.

Anyway, with those comments, Mr. Speaker, I will take my seat and listen to other hon. members. Thank you.

The Deputy Speaker: The hon. Member for St. Albert in the moments remaining.

Mrs. O'Neill: Thank you very much, Mr. Speaker. I, too, am pleased this evening to have the opportunity to join in the debate on Motion 505, introduced by the hon. Leader of the Official Opposition.

Mr. Speaker, Motion 505 touches on a topic that is a top priority for this government and a major concern for myself, my constituents, and, I would daresay, for all the citizens of Alberta, and that is the preservation of one of our most valuable resources: clean water. It has been pointed out by the hon. member that the premise behind this idea is to establish an agency similar in structure and mandate to the Clean Air Strategic Alliance for Alberta's water supply. This would be to guarantee that Alberta's water supply is maintained at the highest standards possible.

To give a little background, Mr. Speaker, the Clean Air Strategic Alliance, or simply CASA as it is sometimes called, was established in 1994 by order of the ministers of Alberta environmental protection, now known as Alberta Environment, and the Alberta Department of Energy. The purpose of this initiative was to develop a new way to manage air quality issues in Alberta. The Clean Air Strategic Alliance is a nonprofit association composed of diverse stakeholders from three sectors as had been identified by a previous speaker. Senior representatives from each sector – government, industry, and nongovernment organizations such as health and environmental groups – are committed to developing and applying a comprehensive air quality management system for the people of Alberta through a collaborative, consensus-based process.

CASA has a long history of using consensus in its work. Industry, environmental groups, and government stakeholders have often cited this process as being a positive experience resulting in a strong commitment to the outcome. With specific direction from the Alberta government and in the intuitive belief that consensus is the right approach for multistakeholder decision-making, CASA uses consensus as the basis for its decisions.

As mentioned, with the implementation of CASA, which was designed to improve air quality in the province through stakeholder consensus, the government has already begun implementation of its own water quality initiatives. A cross-ministry working group led by Alberta Environment is in the process of developing a comprehensive strategy to identify short-, medium-, and long-term plans to effectively manage the quantity and quality of the province's water systems and supply. This strategy is known as Water for Life.

Now, in the past, Mr. Speaker, Alberta was able to manage its water supply thanks to a relatively abundant supply of clean water to meet Albertans' needs and maintain a healthy aquatic environment.

The Deputy Speaker: I regret that I have to interrupt the hon. Member for St. Albert, but the time limit for consideration of this item of business on this day has concluded.

9:00head: Government Motions

Time Allocation on Bill 3

14. Mr. Zwozdesky moved on behalf of Mr. Hancock:

Be it resolved that when further consideration of Bill 3, Electric Utilities Act, is resumed, not more than one hour shall be allotted to any further consideration of the bill at Committee of the Whole, at which time every question necessary for the disposal of this stage of the bill shall be put forthwith.

Mr. Zwozdesky: Now, there are a few points that need to be raised

surrounding this motion, and I'd like to share them with members of the Assembly at this time. First, Mr. Speaker, as you will know, every opposition member has already spoken to this bill, some in fact several times. For example, the hon. Member for Edmonton-Highlands and, I should also add, the hon. Member for Edmonton-Gold Bar collectively have spoken more than about 10 times to this bill.

Secondly, under Projected Government Business for this week the time from Monday to Thursday is exclusively concerned with bills 3, 19, and 27, and I believe the opposition has indicated that it wants time to address those specific bills. There is no other government business scheduled during that time frame, other than the interim appropriation bill that is.

Therefore, there is time for one more hour of debate at this particular stage. [interjections] I'm sorry; there are some interjections here. It's difficult to hear. The member will know that I don't interrupt her, and it would be nice if she would just keep quiet and let me finish here.

The Deputy Speaker: Hon. members, both sides know that there are five minutes on this side and five minutes on that side, and since it's going to soon be your five minutes, save it until then and let this hon. member say his piece.

Mr. Zwozdesky: Thank you, Mr. Speaker. Therefore, as I was saying, there is time for one more hour of debate at this particular stage following this motion, and then this bill can be moved along to the next stage, third reading, where once again there will be generous opportunity for members of the Assembly to speak yet another time in debate.

Finally, I might just point out for all members that time allocation is a fairly common and sometimes necessary occurrence in other parliamentary jurisdictions and particularly so at the federal government level, where since 1993 or so the federal Liberals have used closure, or time allocation, about 80 times. I'm not criticizing them for that. It's just a fact. Now, Mr. Speaker, that is far in excess of the number of times that our provincial government has used time allocation during that same time frame. If you actually go back further, you would find that the current Liberal government in Ottawa has used time allocation nearly 30 more times in its past 10 years than the government of Alberta has used in the past 32 years. So it would be accurate to say that in Alberta time allocation has been used very judiciously and, comparatively speaking, rather infrequently.

So let's be clear that this motion does not abruptly stop the debate at this minute. It simply allocates a time frame within which members can offer any new points that they wish and, one would hope, points that have not already been said many times earlier.

Bill 3 is recognized as important legislation that we must move along in a timely fashion, and I would therefore ask the Assembly to support Government Motion 14. Thank you for your attention.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I listened with interest to the hon. Member for Edmonton-Mill Creek discuss the use of closure, and certainly to say that there's going to be generous time to debate the high-priced utilities act at third reading is an embellishment to say the least, and the hon. member knows it.

Motion 14 erodes democracy and the authority of this Assembly. This use of closure is another example of history repeating itself. The hon. member said that closure is not used frequently here. The last time we dealt with a similar issue such as this I believe goes

back to 1998. Well, closure was invoked on that energy deregulation bill, and since then we have seen nothing but high prices. Debate was limited; discussion was restricted. If Albertans had known the full implications of energy deregulation at that time, then probably there would not have been the ringing endorsement of it that occurred. Albertans have certainly seen high power bills over the last couple of years as a result of the implications of that flawed legislation. Closure was used then, and it is being used now, and it is wrong.

The government knows that Albertans are very, very suspicious of their energy deregulation plan, and they want to get it entirely out of the newspapers and off the airwaves. They know that it has been the most expensive mistake in the history of public policy in this province, and they just want to quietly sweep it under the rug, so to speak, so that it will go away.

Now, Bill 11 is another example of closure in this Assembly, and that was to set up private hospitals. Whether they're private or public hospitals, they're using high-cost electricity to light them. Another victim of closure was the bill to send the teachers back to work last winter. This goes on and on and on, and history, unfortunately, has a tendency to repeat itself.

Now, by restricting debate, the government prevents the opposition from examining in public all the details of the bill. When we look at the high-priced utilities act here, Bill 3, we have to question and we do not have time to question: what is the role of the independent system operator? What is the role of the market surveillance administrator? What will be the role of the Federal Energy Regulatory Commission from America in determining domestic prices for electricity? What will be the role of the Regional Transmission Organization West? What role will that have in determining domestic electricity prices?

Now, I hear some member across the way say: well, that will do nothing. It will affect our prices. The American market has affected our prices in the past, and it's going to affect them again with how this bill is being set up. But, no, we do not want to debate this any further. We just want to sweep it under the rug and hope our problems will go away. But until we face the music and realize that we must adopt the low-cost plan of the Alberta Liberals, Albertans, unfortunately, are going to be faced with high-priced power.

How are you going to deal with your constituents – and this is to all government members – during the next election when they stand at a public forum and ask you: "Why did you have closure on the high-priced utilities act? Was it the greedy picking on the needy? How did you vote that night on that closure motion? My electricity bill hasn't gone down. You promised me I would have choice and with choice would come competition and with competition would be lower bills, but that has not happened. My bills have doubled." I realize that there's even a problem in St. Albert. [interjection] Seventy percent, I'm told, bills have gone up in St. Albert.

An Hon. Member: Wrong.

Mr. MacDonald: Wrong? Is it 80 percent?

Now, Albertans . . . [Mr. MacDonald's speaking time expired]

[The voice vote indicated that Government Motion 14 carried]

[Several members rose calling for a division. The division bell was rung at 9:09 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Ady	Hlady	Norris
Broda	Horner	O'Neill
Cenaiko	Jablonski	Ouellette
Coutts	Johnson	Renner
Ducharme	Jonson	Snelgrove
Dunford	Knight	Stelmach
Evans	Lougheed	Stevens
Forsyth	Lukaszuk	Strang
Friedel	Masyk	Taylor
Graham	McClelland	Vandermeer
Graydon	McFarland	Zwozdesky
Herard		

9:20

Against the motion:

Blakeman	Carlson	Mason
Bonner	MacDonald	Nicol
Totals:	For – 34	Against – 6

[Government Motion 14 carried]

Time Allocation on Bill 27

16. Mr. Hancock moved:

Be it resolved that when further consideration of Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, is resumed, not more than one hour shall be allotted to any further consideration of the bill at Committee of the Whole, at which time every question necessary for the disposal of this stage of the bill shall be put forthwith.

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Once again on behalf of the Government House Leader I would now move Government Motion 16.

I'd like to just briefly comment and state that there has already been a lot of debate on Bill 27, and I know that there will still be considerably more. Specifically regarding Bill 27, every opposition member has had several opportunities to speak both during second reading of the bill and again at the committee stage. In fact, Mr. Speaker, we have now had about six hours of debate so far, and there will still be more. Several opposition amendments were also advanced in the second stage of the debate and during committee, and they've been dealt with.

The Official Opposition leader has taken the opportunity to speak for about 30 minutes of the available 90 minutes he had during second reading. The hon. leader of the New Democrats, the third party, has spoken four times, for a total of 51 minutes. Again I would remind members that on Projected Government Business for this week, three bills are being focused on rather exclusively, which I believe is in keeping with what opposition members would like to know, and those are bills 3, 19, and 27. In fact, no other business has been scheduled, as I mentioned earlier.

So it's time for us to move along on the debate on this bill as well, proceed to third reading, where once again following the committee stage there will be generous opportunities for everybody to speak again. I did remind members earlier that this particular motion does not suddenly halt the debate. It simply puts a time frame within which remaining points, new points, valid points, I'm sure, can still be enunciated.

Finally, I would just remind members again that time allocation is something that is used in other jurisdictions. As I indicated earlier, the federal government has in fact used it rather generously, considerably more often than we've ever used it over 30 years. They've used it 30 more times in the past 10 years alone. So it's not an infrequent occurrence, and it does allow the House to get on with the important business. Some of the business of the Assembly, Mr. Speaker, is time sensitive, and in this particular case we're looking at a situation like that.

So I would urge all members of the Assembly to please support this government motion. Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. Fair and balanced and impartial labour relations are not time sensitive. Now, Motion 16 is not a commitment to ensure fair and balanced labour relations by this government for Albertans or for health care professionals. I would remind not only the hon. Deputy Government House Leader but all members of this Assembly that democracy is about free speech, open debate. It certainly doesn't mean that there is a time limit on debate, and this idea that we can perhaps move along with debate: that's wrong.

This is yet another example of the discriminatory treatment this government imposes on public-sector workers. Health care workers require the same options as those available to their counterparts in the private sector. This government denies them that right. It is inconceivable that in the face of continued shortages of health care professionals the opinions of respected lawyers and the opinions of other experts in the labour relations field are ignored. The fact is that this government has chosen to continue to display complete utter contempt for the advice of others with respect to its own labour laws. It makes up the rules as it goes along. It's forgotten about consultation.

Now, if we want to take a little walk down the pages of history, after more than three decades in power this Progressive Conservative government has yet to honour a commitment made in August 1971 by Peter Lougheed, and this is the commitment, quote: in conclusion I would like to state that a Progressive Conservative government would move very quickly to give the civil service a much broader and definitive act which would give the members the same basic bargaining rights enjoyed by organized labour in the province. End of quote. This is another broken promise from a government which when confronted limits democratic debate.

The suppressive nature of Motion 16 and of Bill 27 as well as its unfairness will create conditions making collective bargaining tougher to conclude successfully, not easier, and that's one reason why we shouldn't move along with debate. It is dishonourable for this government to withdraw the right to strike of another 7,000 workers and impose a system of arbitration which no one knows will work or not. Many express a lack of confidence in its impartiality. Why impose a system that demonstrates this government's lack of faith in the collective bargaining process for health care workers?

Bill 27 will make it relatively easy now for management to get around its duty to bargain in good faith, but we're going to ram this right through this Assembly. Now, when we allow closure on the Bill 27 debate – you can call it a time limit if you want, but it is closure – we are promoting the idea that management, in this case the Provincial Health Authorities of Alberta, can reject a proposal, any proposal, from the health care professionals without fear of a strike or in most cases even a means of forced arbitration. That's why Motion 16 is unfair and unduly compromises the bargaining position of the health care workers.

Motion 16 is also unfair and unduly compromises the democratic processes of this Assembly. Motion 16 will only reinforce with the general public the support that already is there and will remain there for health care workers and their cause. Everyone knows – it's well documented – the effects that the health care funding cuts and the subsequent reorganization of health care in this province have had on the working conditions of health care employees. Now, I remind all members of this Assembly that the nurses have more credibility than the employers or the government of this province. Motion 16 does nothing to improve the government's bedside manner. The nurses have the bedside manner. They have tended to the ill, to those in need, and the government has tried to turn the public against them. The public knows. It's a listless, tired government devoid of any new policies that invokes closure.

Thank you.

[The voice vote indicated that Government Motion 16 carried]

[Several members rose calling for a division. The division bell was rung at 9:30 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Ady	Herard	O'Neill
Broda	Hlady	Ouellette
Cenaiko	Horner	Renner
Coutts	Jablonski	Snelgrove
Ducharme	Jonson	Stelmach
Dunford	Knight	Stevens
Evans	Lougheed	Strang
Forsyth	Lukaszuk	Taylor
Friedel	McClelland	Vandermeer
Graham	McFarland	Zwozdesky
Graydon	Norris	

Against the motion:

Blakeman	Carlson	Mason
Bonner	MacDonald	Nicol
Totals:	For – 32	Against – 6

[Government Motion 16 carried]

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I'd call the Committee of the Whole to order. For the benefit of those in the gallery this is the informal part of the Legislature. Hon. members are allowed to go around and quietly converse with their fellows. The only place where a person may speak is from their proper place. We have the rule that only one person may be standing and talking at a time, which sometimes is honoured more in the breach than in the keeping.

Bill 27

Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to

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

Ms Blakeman: Thank you very much, Mr. Chairman. I'm glad that I do get a chance, however brief, to speak to Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, in Committee of the Whole. When I spoke to this bill earlier – I think it was in second – I noted at the time my concern about the number of functions that were going to be guided by regulations. I talked at length at that time about my concern about the increasing use of what the government calls enabling legislation and what I would call shell or blank cheque legislation, where the government sort of gives itself a shell format to work from and all the details are filled in through regulations. My concern about that is because the public doesn't have any idea of how the decisions were arrived at that in fact result in the regulations. They also have no idea about what their own member's, assuming this a member on the government side, input was to the process. There's no *Hansard* kept. There's no record kept of the discussion that goes on in the government caucus or, indeed, in the cabinet that results in the orders in council that, in fact, establish the regulations.

The more I looked at that, the more something else came to the fore for me, and I have checked the *Hansard* of the previous debates on this bill. I don't find that anyone else raised this particular issue. I apologize to the minister if someone else has gone over this at length, but my concern here is when I look at the Labour Relations Code, and I particularly look under section 12, which is setting out what the duties are of the Labour Relations Board and what its function is, what it oversees, the decisions that it makes. I go back and I start looking at what in fact is – and this is where the questions start, Mr. Minister – being taken over by the government. Is it just for the purpose of this act, or is this the beginning of a series of labour acts that we see being changed, where the Lieutenant Governor in Council, in other words the cabinet, takes over the function and the duties of the Labour Relations Board? When I do start comparing back and forth, that is what's happening.

Now, I'm just going to go off on one little tangent here. I had done some research to find out if there was any kind of a definition that existed anywhere for "receiving collective agreement." It doesn't appear in the definitions that are at the beginning of Bill 27. It does not appear in the Labour Relations Code. I've looked in both of those places. I checked through the earlier *Hansard* recordings of the debate on this bill. Nowhere do I find this.

I have stated in the past and I'm on record as saying that I don't myself come from a labour background, but my family certainly does, so perhaps I missed something. Perhaps everyone else in the world understands this, but I don't see that there's a definition for that, and I think it only fair that it be there so that people understand exactly what's being said by the government's regulations in this bill. Partly that is able to be accomplished by having the minister himself speak on record in *Hansard* because then it can be looked up. So that was just one little thing I wanted to clear up from the last time that I spoke on this.

Now, when I start to look at the comparisons between section 12 of the Labour Relations Code and, in fact, the very long section which is section 5 in the amending act – but it's really pertaining to section 162.1 and 14 sections or phrases or subsections that are setting out these duties and discussing what will in fact be created through a regulation – I start to see where there's crossover here. In particular, the ability of the Labour Relations Code to decide what is an organization – sorry; this is section 12(3):

The Board may decide for the purposes of this Act whether . . .

(c) an organization or association is an employers' organization,

(d) an organization of employees is a trade union.

So it's defining and it claims for itself the right to define what is a trade union, yet we have, when I look at section (b)(iii),

respecting the manner of determining which trade unions are eligible trade unions for the purposes of a vote by employees to select a bargaining agent for a region-wide functional bargaining unit.

That's exactly what the Labour Relations Board does. So why is the government now doing it through cabinet under regulation? Why? I haven't heard an explanation from the minister as to what's going on here. So do we take it that the Labour Relations Board is – what? – suspended when this act is in play, or it doesn't come into play? Well, the minister is shaking his head at me, but I've heard no explanation on that, so I'm assuming that he's going to get up and give me an explanation on it. But why would the government the minister represents choose to undermine the Labour Relations Board, that this government has put in place, by doing things like determining what collective agreement will be the final collective agreement for the purposes of this act – that's something the Labour Relations Board does – or determining which type of agreement is going to be in place for a regionwide bargaining unit? These regulations are saying that the government is going to select that or decide that. That's the Labour Relation Board's job, and it's set out in section 12 of the Labour Relations Code that that's in fact what the Labour Relations Board does.

9:50

I've already talked about "which trade unions are eligible trade unions."

Then it's got regulations "respecting the conduct of votes on any issue related to the selection of a bargaining agent or a receiving collective agreement." Well, when we look underneath the subsection I was referring to earlier, section 12(3) – and I'm into the initials here:

- (e) an employer has given an employers' organization authority to bargain collectively on the employer's behalf or has revoked that authority,
- (f) a collective agreement has been entered into,
- (g) a person is bound by a collective agreement.

I'm going to skip down a bit. "A group of employees is a unit appropriate for collective bargaining." That's decided by and is a power given to the Labour Relations Board under this act. How about section (o), "a person is included in or excluded from a unit" or section (p) "an employer is affected by a registration certificate of a registered employers' organization"? How about section (4)?

The Board has exclusive jurisdiction to exercise the powers conferred on it by or under this Act and to determine all questions of fact or law that arise in any matter before it and the action or decision of the Board on them is final and conclusive for all purposes, but the Board may [from time to time] whether or not an application has commenced under section 19(2), reconsider any decision, order, directive, declaration or ruling made by it and vary, revoke or affirm the decision, order directive, declaration or ruling.

Clearly, the government has chosen to encroach upon that jurisdiction which is set out for the Labour Relations Board. Why?

Now, we also have a side agreement. [interjection] But we haven't. I looked backwards, and this hasn't in fact been discussed at length. So we're being cut short on discussing it tonight, but I'll do the best I can to get the points out. So we do have a side agreement for NAFTA that was agreed to by the previous minister of labour who's moved into federal politics.

Mr. MacDonald: Foreign Affairs.

Ms Blakeman: Yes. I think he's serving as the opposition critic for

Foreign Affairs, but he certainly signed it on behalf of this government.

Why, then, is this government choosing to abrogate the responsibilities that it claimed upon that signing? Why is the government walking away from that or making a choice that somehow will view it differently? I don't understand that, especially since once again the government puts the citizens of Alberta on the hook to cover the costs of any jurisprudence, any legal arguing that will take place with this. The government loves to do this. It gets itself into these legal battles, but the people that really foot the bill are the taxpayers. I don't know that the taxpayers, if you went to them, would agree that this is really where they wanted their money going, having the government going back on its own signatory, its own signature to a side agreement of NAFTA. I'm not even going to get into whether we should have signed NAFTA in the first place or not, because I don't think we should have, but you did. This government did, and they did it with full confidence. So why aren't you upholding it, and why aren't you upholding the side agreement that was made by the labour . . . [interjection] I'm hearing heckling from the back row here – I don't know which one – that this was a federal agreement. Well, if that's so, then why did you have the minister of labour signing it? Obviously, he had the authority to do so, and he did so on behalf of this government. I'm having a nod from the minister. He was in fact empowered to do so.

I think this is a serious departure. I think it's a violation of obligations that are outlined under NAFTA, and I've heard no strong reasoning from the government as to why they feel that they can walk away from this agreement.

I've already talked about the Labour Relations Board administering the rules affecting collective bargaining in Alberta, and as far as I can see, most of them are being taken over. Now, my questions stand. Are they being taken over only for the purposes of this act, only for the purposes of this restructuring or reshuffling of labour relations under the health sector only, or are we now to expect a bill that's going to come in and restructure things under construction or vocational trades? What's next? Is this the beginning of a longer series? If it's not, then why is this the exception? If it's the beginning of a longer series, then what does the government stand for around collective bargaining? I'm hearing as little as possible, and I would agree. I find that there has been a deterioration in labour relations and in upholding and valuing the collective bargaining process in the province. [interjections]

The Chair: Hon. members, long-distance talkers, if you wish to speak to one another, that's wonderful and commendable, but please don't do it here. We have one person speaking and only one, not either of you two gentlemen. So if you could contain your conversations to outside the Chamber, that would be marvelous.

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. I was talking about a deterioration in the upholding of an ideal of collective bargaining by this government. I don't know if that's true about this particular minister, but I certainly do feel just even as a citizen, before I was elected, that there wasn't a strong commitment by this government under this Premier for the workers in Alberta. There actually seemed to be an attitude that there was something wrong with workers, that they asked for too much or that they weren't contributing enough or that somehow they just weren't as good as other people. That has never sat right with me, and I think that we need to have a better understanding of exactly what the workers have in fact brought us in this province. [interjection] Does the government consider them a resource or a commodity? Oh, I would say

that the government considers workers a commodity but not a resource. [interjection] Well, then the Member for St. Albert can get up and speak to this. I mean, I would have looked to see legislation coming forward that strengthened the position of workers and upheld the position of workers in this province.

Let's face it. It wasn't a brilliant government idea that got us public education, that we all stand up and put our hands over our hearts and say that it means so much to us in this province. The idea for public education came from the workers. I think it could be argued, as well, that the idea for health care, medicare, came from the workers. As I said, people like to stand up and put their hand on their heart and go, "Wow, we're so proud of that here in Alberta," but in fact the idea itself came from and was campaigned for by the workers. Child labour laws: the government certainly didn't put those in place. They certainly didn't. That again came from the workers of the world. A lot of the laws that we value came from them. So why disparage what workers have brought to us? Why are they all of a sudden, well, over a long period of time, to be not looked upon as valuable resources in the province?

I talked earlier about the need for first contract arbitration – I never get the words right – that had led to so many long, drawn out, terribly costly strikes in the province. I think hand in hand with that goes a need to look at replacement worker legislation – yeah, scab legislation – because when an employer can instantly bring in replacement workers, there's no impetus upon them to sit down and bargain with the original workers to solve the problem. They just keep right on going. They bring in replacement workers and keep right on going, and it allows them to be able to do that.

So those are two pieces of legislation I'd much rather be looking at than what we're looking at today. Now, I'm aware that we only have an hour to debate that, and I've taken up almost my 20 minutes here. I know that there are other people that want to get on the record, and I'm hoping that I can get the minister up to also answer some of the questions that I've brought before him about what putting this bill in place is going to do to the concept of collective bargaining, the ideals that are brought forward and put in place by the Labour Relations Code, and in fact what the job description, the duties, responsibilities, and the powers of the Labour Relations Board are.

10:00

I want to leave that discussion by talking about fairness or equity or a concept of evenhandedness because that is what the Labour Relations Board is charged to do, and I think people believe that it does. I think people believe that the Labour Relations Board does come at things in an evenhanded manner, trying hard to balance both the interests of the employers and the employees, of the workers. Perhaps if government members don't believe that, they'll get on the record and say it, but I've never heard the government criticize the Labour Relations Board for not being evenhanded.

I think the real concern for me underlying all of this is that we would not have that same evenhanded approach when we look at the government deciding how these regulations are going to work behind closed doors. Again, we don't get to hear what the discussion is. We don't get to hear whether the Member for Edmonton-Castle Downs or Sherwood Park or Calgary-Shaw argues in favour of the regulations or against them. We have no idea, and if someone approaches them later and says, "Did you speak out for me?" they have no way, none at all, of going and checking if, in fact, their member did that or did what they said because it's all behind closed doors. Eventually somehow the regulations trickle out.

Now, we were able to get the regulations posted on the web site – or I think the government volunteered to put them on the web site –

well in advance of them being passed. Why can't the government be doing the same thing for the regulations that are being considered and brought forward under Bill 27 and, while I'm at it, Bill 3? I would like to see those regulations out there so that people can have some idea of what's being considered and are able to approach their MLA and say, "I want you to go into that caucus meeting and talk about what this regulation is going to mean to me as a worker who lives in Edmonton-Mill Woods," or Calgary-Cross or Calgary-Currie, and are able to get their voice heard, because if the government is going to take the discussion that rightfully belongs in this Legislative Assembly and put it behind closed doors, then we're going to have to get people to pursue you behind closed doors to make sure that you're carrying their voices forward. Frankly, I would rather just see the discussion happen here. I still bemoan the loss of the legislative all-party Standing Committee on Law and Regulations, so much talked about by the previous Member for Calgary-Buffalo, and in fact the deleting of that committee I think was done as a sort of memorial against him.

So I think that what's happening here is that we have no guarantee of an evenhanded approach. I think I can safely say that workers in this field are not viewing this government bill as being evenhanded and being able to say: do we trust the government to take forward these regulations and be evenhanded, fair or equitable, a level playing field and all those other much-beloved and ill-used phrases? No, I do not trust this government to do that. I don't trust you on a number of levels, but I particularly do not trust the government to be evenhanded around labour regulations and labour law when I see a bill like Bill 27 come forward.

Thank you for the opportunity to speak, Mr. Chairman.

The Chair: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes. Thank you very much, Mr. Chairman. Well, it is quite a load that we've had placed in front of us by the previous speaker, and I'm not sure that I can answer all of the little innuendoes and that sort of thing that were coming out of her speech, but maybe I can use them as a springboard for providing some more accurate information. As I listened to the speaker, it clarified for me to a great extent some of the confusion over individual phone calls that I've been receiving at my constituency office. So I think clearly there is one of two things that is happening here from the opposition benches: either a misunderstanding of what it is that we're trying to do with Bill 27 or deliberately misleading people that might be impacted by the provisions and the regulations of the bill.

One of the phone calls that I handled this afternoon was from a nurse in a large hospital who belonged to the UNA, and she was concerned about two things. She was first of all concerned that the government behind closed doors was going to tell her which union would represent her, and the second thing that she was concerned about was that the government was going to provide, then, and tell her what collective agreement she would be working under. Well, after I explained to her what I'm about to explain now to the rest of the House, while she didn't say that she was going to vote for me at the next election, she did indicate that she wasn't as concerned as she had been at the start of the phone call.

In order to arrive at four bargaining agents in each region and then to have four collective agreements in each region, some things have to happen, but if you're a member of UNA today, then you're going to be a member of UNA after Bill 27 and its regulations go through. In talking about four certificates for bargaining purposes, we've said that it'll be the registered nurses, and they're covered by UNA. There will be the professional technical people, and that's the Health

Sciences Association. There are the licensed practical nurses, and I think in all cases, at least in most cases, that's AUPE. Then there are the support workers.

Now, this is where it's not the government that's going to pick what union is going to represent them, but clearly it's in the support workers' area that most of the adjustments and transitions are going to take place. Although I don't have the numbers in front of me, there's a tremendous number of those folks that are a part of a bargaining unit under CUPE and probably as many under – I'm using acronyms here – AUPE, the Alberta Union of Provincial Employees. There's going to have to be some way to get those two bargaining units into one in any particular region. So in that particular case you might have support workers under AUPE in one particular region and under CUPE in another particular region, but in nine regions UNA is going to continue to represent the registered nurses.

So I think she felt better with that explanation, and I hope members here in the House and people that might be in the gallery feel better about that as well.

The other thing: when it became obvious that she was a nurse in a large regional hospital, it seemed likely to me that she would probably be staying under a collective agreement that she is used to. I don't know that that's going to happen in all cases, though, because in the Capital region, for an example, you would have registered nurses that would be under a facility agreement that would be designated as the Royal Alex hospital, and other nurses that work at the University hospital would be under a facility agreement under that organization, and then of course you have the community nurses that have their own collective agreement. You know, something is going to have to happen to make the selection, then, of one collective agreement. Now, whether it be a facility agreement from Royal Alex or a facility agreement from University hospital, the nurses themselves through voting will determine that, not the government behind closed doors. So I would hope, although it might be too much to expect, that from this night forward we get rid of this misunderstanding that somehow the government is going to pick both the bargaining unit and the collective agreement. That's going to be done by the employees in the health system themselves.

10:10

Now, I noted in the comments that there was a concern about the workers of Alberta, and I think it's fair to say that the concern for the workers of Alberta, if we mean that – if what we're truly talking about here is people that go to work that happen to live in Alberta, then I think that all three parties in this House can share not only a concern but also can share the responsibility for their interests. I don't think there's any question about the popularity of the Premier of this province amongst working people of Alberta. As a matter of fact, just earlier this evening when I was on a bit of a recess from my duties here in the House, I happened to be watching television, and there was quite a good documentary on this evening, *The Education of . . . Ralph Klein*. Now, there's an order in this House, but you don't have to get up. I'm simply quoting what the title of the documentary was. The documentary was *The Education of . . . Ralph Klein*.

The Chair: Hon. member, I think that the Speaker made it fairly clear this afternoon and at least half a dozen times last week that we don't use names, even if it is a title, so we refer to the Premier or the minister of whatnot or the hon. Member for Edmonton-Castle Downs, whichever.

Mr. Dunford: Well, I was watching a documentary, and it was

called the education of a rather spectacular Premier of Alberta. In any event, there was a great deal of time spent in talking about the popularity of the Premier of Alberta with working people of Alberta, and that stands today, because anybody in this province that gets paid on a two-week basis, or twice a month, has known since 1993 what this government was up to in terms of getting rid of deficits, paying down some debt, and lowering taxes. You know, even the hon. member that gets paid once a month has seen the benefits of all of that, as well.

I want to try to address, if I can, the question about a balance here in terms of labour relations. I want to say once again, because I think I've been very up front with this, that it is other interests that we are concerned about here rather than the interests of parties in a labour relations exercise. I think we as the government have said from day one that we are motivated by a desire to improve the delivery of a quality health care system in this province. You can be critical of us, you can make the phone calls to us, you can write the letters to us, and you can have your demonstrations, but you're not going to take away from us the deep-seated feeling that we have inside us, and that is that there's a greater good that's at stake here. The greater good is delivering to all of the citizens of Alberta a quality and a timely health care system. As sincerely as anything that we have believed in the almost 10 years now that I've been here, we believe in that. The greater good is a term that I use without any embarrassment, and I use it up front, whether it be with an employer in this province who's a little concerned about some of the reaction that Bill 27 might be having, because he's worried about it spreading into their particular area, or to a union leader that's here in Alberta or to a worker in Alberta.

There's a greater good at play here, and that, of course, is what is involved in a democracy. Now, a democracy doesn't mean that there should be a tyranny of the majority. What a democracy means is that the will of the majority will be done, but the interests of the minority must be looked after. I would ask, when you come to look at this particular bill, that you recognize that the workers that are currently unionized within the system will still be unionized, that the workers that are currently covered by collective agreements will still be covered by a collective agreement. The majority might still be covered by the agreement that they're used to, but there will be some transition, and I admit that.

As far as the NAFTA challenge, I welcome that. I think it's a proper thing that that should happen. We don't believe that we're in violation, but if some other party wants to take us to court to find that out, well, then we, of course, welcome that. Certainly NAFTA is an extremely important agreement for this jurisdiction. Why I nodded: the minister of labour, as the department was then structured, had the authority to sign that agreement. I only need to remind all of you that the federal government has no jurisdiction in labour relations as it relates to a provincially organized entity. They certainly have labour relations responsibility for federally licensed industries, but in Alberta the federal government would have jurisdiction over approximately 10 percent of the workers. So if you're going to have side agreements of NAFTA in terms of environment or in terms of labour relations, then of course the provincial governments have to sign on. What I liked about it is the fact that then the dissenters to what we're doing are looking at and understanding that there are legal remedies that can come when a government brings forward legislation and regulation. This is a lot better and a lot more useful than spending our time talking about the potential of illegal job action.

Now, the hon. member speaking previously talked about whether there would be restructuring, and it did make me think back to 1988, as a matter of fact, the last time there was any sort of real change to

the Labour Relations Code. One of the things that happened at that particular time was, in fact, a restructuring as to how collective bargaining would take place within the construction industry. So, actually, maybe inadvertently, you hit the nail right on the head, that periodically there is restructuring that takes place as times change.

I think you read too much into my motivation or into the government's motivation when you want to extend this beyond what this bill currently is talking about. I say again to everyone that's hearing my voice tonight and that will read this in *Hansard*: Bill 27 is a very unusually worded bill. Why is that? It's the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. Now, is there anybody here in this Assembly or in the gallery that wouldn't understand, then, that this is a specific point which we are trying to deal with, and it ought to, I believe, allay any fears that people have about some sort of massive restructuring of the union movement here in the province. I think most union leaders in Alberta recognize this for exactly what it is. It is a regional health authorities restructuring that's taking place, and I think we've been quite up front with that. So what more explanation do we actually need?

10:20

Now, with the few minutes that are remaining, I want to assure the member that the reputation and the integrity of the Labour Relations Board is still intact. It'll still be intact later on, but in terms of the regulations that will be made, there will be specific instructions to the Labour Relations Board as to what they have to deal with and the manner in which it's to be dealt with.

When the health regions were first restructured back in I believe it was 1995, the government didn't take this kind of action. We thought what we would do was let the Labour Relations Board handle the situation. There's nothing like hindsight to make you smarter, but hindsight has shown us that that was an incredibly complex system then that we left up to the Labour Relations Board. So this time in the restructuring when it was clear that it was going to go ahead and we had the request from the employer in this case to simplify and streamline the system, well, then it showed, I think clearly, that the government had a job to do in this particular area.

The job, of course, wasn't to strip people of collective bargaining rights, and it wasn't to strip them of union membership – it was to leave them in place, and we've done that – but it was simply to have all parties understand that at the end of this day, whenever that day comes, there will be nine regional health authorities and there will be four collective agreements inside each of those regions. They will be border to border, and so there will be 36 collective agreements that will need to be dealt with inside the so-called regional health authority public health system. That is the streamlining, and that is what we're responding to. That is our motivation, and we want to get on with it.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I would like to introduce an amendment to Bill 27, and I'll just move that Bill 27, the Labour Relations (Health Authorities Restructuring) Amendment Act, 2003, be amended in section 5 by striking out section 162.2. I'll just pause while you get that around.

The Chair: Thank you, hon. member. This amendment will be known as amendment A4, and we'd ask the pages to hand it out to the people who are actually here, and then later you can go and fill in all the other desks. Good.

Hon. member, I think most members now have a copy, so you may

proceed on amendment A4.

Mr. Mason: Thank you very much, Mr. Chairman. The title of the particular section here is "disentitlement to severance and termination pay." This is, I think, cause for considerable concern. I would indicate that this particular section allows the Lieutenant Governor in Council to make regulations which would then override the terms of any collective agreement, and specifically the regulations suggest that individuals "are not entitled to severance pay, termination pay or other compensation as a result of a change in governance or restructuring of the prescribed entity."

Now, the way this has been described is that as you amalgamate health regions, you will be continuing your job, but you will have a different organization that you work for and therefore you're not entitled to severance pay as a result of the reorganization of the health authorities, and your job is unchanged. There's a certain reasonableness to that, Mr. Chairman, but I think the concern is that this is not the only agenda of the government.

The other agenda of the government, which was set out in the Mazankowski report, is an increased role for the private sector in health care delivery. So we may find that in fact many workers, if the government pursues this misguided agenda, may end up working on a contract basis, and this section in our estimation would allow the government to make regulations which would disallow severance even if people were going to be working at the same type of job but for dramatically reduced salary and benefits or wages and benefits. So I think that that's a problem.

Perhaps at least this amendment will elicit a clarification on the record by the minister. It is troublesome that the increasing level of privatization and divestiture of different functions in the health care system may in fact result in the situation that employees who've been working for a number of years for a regional health authority may not be entitled to any compensation, and that includes the potential loss of pension contributions in any negotiated severance or termination payouts. So this amendment quite simply would just delete this, and if the government wants to bring forward something later on that is more specific, clear, and produces less uncertainty, then, you know, we would welcome that. In the meantime this broad clause allows the cabinet essentially to make rules in a variety of circumstances and not just the simple circumstance of reorganization of health authorities, so we believe that it should be deleted.

Mr. Chairman, as I hope to introduce a second one in the remaining time, I will not take the full amount of time and will take my seat and look forward to the response of the minister and other members.

Thank you.

The Chair: The hon. Member for Edmonton-Gold Bar on amendment A4.

Mr. MacDonald: Thank you, Mr. Chairman. I, too, will be brief in the amount of time that we have to discuss these very important matters. In light of the fact that I do not believe that my questions that I directly earlier to the government in regard to this matter have been answered adequately, I'm going to support the amendment from the hon. Member for Edmonton-Highlands. Certainly – and this was recognized by the provincial health authorities of Alberta themselves – revisions to the health authority boundaries would have a significant impact on collective bargaining. The resulting transfer, as I understand it, of services and employees from one old region to one of the newly created regions certainly could and would produce challenges in the areas of seniority, portability of benefits, and compensation. Certainly, someone over there must have an idea of what all that was going to cost, or they wouldn't have slipped this

through at the back of the bill. Until someone can tell this side of the House precisely what those costs would be in the event of section 162(2), disentanglement to severance and termination pay, what the consequences of this would be for the taxpayers, I'm going to certainly support amendment A4.

Thank you.

10:30

The Chair: The hon. Member for Edmonton-Glengarry on amendment A4.

Mr. Bonner: Thank you very much, Mr. Chairman. It is a pleasure to rise and speak to amendment A4. I'm going to support this amendment for all the reasons that the two previous speakers have given, but as well one of the reasons that I think it's important to support this amendment is that I was going through a newsletter called *Challenger*, and there was a letter published in that newsletter from a medical radiation technologist at the Royal Alexandra hospital to the Minister of Community Development. She makes many, many points in here as to why we cannot leave clause 162.2 in this particular bill.

An Hon. Member: Tell us, Bill.

Mr. Bonner: I certainly will give you a little information here then. She goes on to say:

My contract with the employer expired on March 31, 2002. My union, the Health Sciences Association of Alberta, has been negotiating a new contract since the fall of 2001. Contract negotiation is a very long process but made even longer because the employer's representatives at the negotiating table are unable to make any decisions. Mediation took us nowhere, so now we are at the point of going to the arbitration. I don't understand why it has to come to that.

Now, these here are people that cannot go out on strike. "We are told," as she says, "that we can't strike because we are 'the essential services.'" That's exactly what this bill is going to do to over 7,000 workers: make them essential services so they can't strike. She says, "Yet we are not treated as such when it comes to negotiating a new contract."

Other concerns that she has:

Lately our professional provincial body formed a college to comply with the Health Professions Act. Do you know that our fees jumped from \$190 a year to \$540 per year? The employer reimburses none of that. On top of that we are required to have 48 hours of continuing education courses and credits. As you would imagine, that will also require some costs.

She goes on to say, Mr. Chairman:

I feel that the public needs to know all about those issues and only then will they be able to understand why they have to wait for the ambulance for 20-30 minutes, wait in ER room for 2-10 hours, wait to see a specialist for 6 months, wait to have diagnostic tests (MRI scans) for 6 months, etc. It is really difficult for me to understand that all of this is happening in the wealthiest province of this country and in the best country in the world.

She finally ends up by making a comment to the minister.

I am asking you to support our process of arbitration. Please keep in mind that hospitals do not function with just doctors and nurses. Allied health care workers make up many pieces of the complicated puzzle. We need them in order for the whole system to function effectively.

I think, Mr. Chairman, that when we do look at this amendment, it is a very good amendment because it will strike out that part of the bill that leads to this type of action or inaction by the employer. In the whole process of looking at contract negotiations, as the minister himself said: the greater good. So when we look at regulations, it is

for the greater good not only for those people who are sick or injured in hospitals, but it is also for the worker, for society at large.

As well, another point she made very strongly was that there has to be fairness, and I think people that have been negotiating since 2001 who have not got a contract to this day are not being treated fairly. Regulations such as one person could be empowered to institute will certainly lead more to a process that is not fair for workers but will result in hopefully not job action of the type of an illegal strike but certainly will not make for good morale and good care for patients.

The minister also talked about streamlining the process. Well, we have a process currently here with these workers, who after almost two years still do not have a new contract. Their last one expired a year ago. There were negotiations for almost a year before that. So we do need a much, much better, a much, much stronger. . . [interjection] Would the minister like to partake, Mr. Chairman?

The Chair: The chairman would like to partake by asking you if you would table the letter that you quoted extensively from.

No, hon. member. You have the floor, and if the minister or the hon. member being referenced wishes to speak after you're finished, that's fine, but you're on.

Mr. Bonner: Thank you. I'll try to finish up here because I do realize he does have another amendment.

We have an amendment here which is a very good amendment. If we strip people of their collective bargaining rights, then we are putting 7,000 more workers in the same position as this person here, and if that does occur, then we are going to have 7,000 more workers in this province who are not being treated with fairness.

So thank you very much for that opportunity, Mr. Chairman.

The Chair: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Yes. I want people to vote against this amendment. It's very simple, again, what our motivation is here. This government has never been happy with the rulings that came out of the so-called Grande Cache case. People employed one day, employed the next day, different name on a paycheque, but became eligible for severance pay, and because we're moving the Alberta Mental Health Boards into the regional health authorities, we need 162.2(1) and (2) to make sure that that doesn't happen in this case.

The Chair: The hon. Member for Edmonton-Ellerslie on amendment A4.

Ms Carlson: Yes, Mr. Chairman, on the amendment. I, too, support this amendment, and I'll keep my comments short because of the brief amount of time still available to us. The brief amount of time is available to us because of time allocation that's been brought in.

Now, this amendment follows very nicely with the two amendments that we brought in previously in the very limited time that we've had to debate this bill. Let the record show that this bill has been repeatedly brought in after 9 o'clock at night, and there is a good reason for that happening. The government does not want participation by the public in this particular debate.

Mr. Dunford: It's called Standing Orders.

Ms Carlson: It's not called Standing Orders. Mr. Chairman, this government has the ability to bring in substantive bills like this in the afternoon and in the evenings . . .

Mr. Dunford: Quit playing to the gallery and just do your job.

Ms Carlson: I am doing my job by ensuring that people know what has happened in the progress on this bill, and it has been a serious problem for democracy in this province. We have seen this bill come in late at night. We have seen debate limited on it. We have seen very, very good amendments being brought forward to make a crappy bill better, and look what happens. You know, nobody talks about them, nobody supports them, and we see debate limited like this.

This is a good amendment, and it follows in line with the two that we brought in in the very limited time we had to bring in amendments last week, which was Wednesday evening after 9 o'clock at night. Then, after we voted on the two amendments, you guys adjourned debate because you don't have the stuff it takes to stay here and debate this stuff and put good information on the record. Let the record show that the minister is laughing at that. He spent a very limited amount of time debating this bill. There's another minister, the Minister of Environment, who refuses to enter into debate in a legitimate fashion in this province, and he should stand up and be counted on this, let the voters in his constituency know where he stood on the issue to take rights away from health care workers and to union-bust. That's essentially where we're going with this legislation. I will definitely be supporting this amendment.

10:40

The Chair: The hon. Member for Edmonton-Highlands on the amendment A4.

Mr. Mason: Just to conclude, Mr. Chairman, it would be fine if the minister's amendment or if the minister's clause in the act was limited to the kinds of circumstances that he's referring to, but it's not, and I think everyone is very concerned that people could end up with a dramatically different job or dramatically different collective agreement or dramatically different employer and still have their severance taken away from them. This possibility is open under this particular clause, so the amendment takes it away. If the minister wants to bring something that's a little more certain and clear, then I certainly welcome that, but in the meantime I think that the members on the government should vote against the government on this particular bill.

[Motion on amendment A4 lost]

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I'd like to move an amendment, that Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, be amended in section 5 in the proposed section 162.1(1)(b) by striking out "whether with or without a vote of employees" and substituting "and the timing of votes of employees."

The Chair: Thank you, hon. member. We'll just take a few moments for the papers to be taken around to people.

Hon. member, why don't you commence?

Mr. Mason: Mr. Chairman, this particular amendment changes 162.1(1)(b), which allows the Lieutenant Governor in Council to regulate changes in bargaining units without providing for members of the bargaining unit to vote on the changes. The intention of this amendment is to ensure that the Lieutenant Governor in Council provides for votes by requiring that the regulations set the timing of

votes. So it's an elegant amendment, and it very neatly requires changes in bargaining units to be settled by a vote of those people who are affected. That's all I'll say at this point.

Thank you.

[Motion on amendment A5 lost]

The Chair: If you wish to speak, the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. Certainly, as we conclude debate, unfortunately as a result of the closure motion this evening on Bill 27, I must say that I'm very concerned about future labour relations in this province in the health care professions.

Thank you.

The Chair: I'm sorry to interrupt the hon. Member for Edmonton-Gold Bar, but pursuant to Government Motion 16, agreed to March 24, 2003, which states that after a one-hour debate all questions must be decided to conclude debate on Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003, in the Committee of the Whole, now I must put the following questions, then, to conclude debate. Having named the bill and given its title, on the clauses of the bill, are you agreed?

Some Hon. Members: Agreed.

The Chair: Opposed?

An Hon. Member: No.

The Chair: Carried.

[Several members rose calling for a division. The division bell was rung at 10:45 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Ady	Hlady	Norris
Broda	Horner	Ouellette
Cenaiko	Jablonski	Renner
Coutts	Johnson	Smith
Ducharme	Jonson	Snelgrove
Dunford	Knight	Stelmach
Evans	Lougheed	Stevens
Forsyth	Lukaszuk	Strang
Friedel	Masyk	Taylor
Graham	McClelland	Vandermeer
Graydon	McFarland	Zwozdesky
Herard		

Against the motion:

Blakeman	Carlson	Mason
Bonner	MacDonald	

Totals:	For – 34	Against – 5
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[The clauses of Bill 27 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Some Hon. Members: Agreed.

The Chair: Opposed?

Some Hon. Members: No.

The Chair: Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report Bill 27.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 27. 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.

11:00head: Government Bills and Orders

head: Committee of the Whole

(continued)

[Mr. Tannas in the chair]

The Chair: I'd call the Committee of the Whole to order.

Bill 3 Electric Utilities Act

The Chair: We have on the floor from a previous Committee of the Whole on this bill amendment A3, as moved by the hon. Member for Edmonton-Gold Bar. Are there any other comments?

Ms Carlson: Mr. Chairman, we continue to support that amendment and call for the vote.

[Motion on amendment A3 lost]

The Chair: Are there any further comments, questions, or amendments to be offered with respect to this?

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman. I am pleased to finally be able to put my remarks on the record for this bill. In fact, I had risen to speak to a reasoned amendment back in second reading and spoke briefly to a reasoned amendment and then was one of the people that did not get to speak full out in second reading because the reasoned amendment necessitated the immediate vote out of second reading. Then every time that I have been here, every night as the bill got called onto the floor late, late at night, I was ready to speak, and they adjourned and went home, so I never got a chance to speak in Committee of the Whole until this time. So I'm pleased to be able to get the opportunity to do that now.

An Hon. Member: I thought the government said that everybody spoke a whole bunch of times.

Ms Blakeman: Yeah. I know the government said that everybody spoke a whole bunch of times, but they really didn't look at their records very carefully.

One of the first things that I want to make sure I do get on the record at this opportunity is to request that we get the regulations for this bill. Once again we have an enabling piece of enabling legislation from this government which sets out the sort of context or format of what the government would like to see, and everything else is accomplished through regulations. They did manage to set a very fine example with Bill 19, the natural gas amendment act, and put the regulations on the web site for everyone to be able to see and understand and to be able to approach their MLA to bring additional questions forward or to participate directly. That's fine. The point is that the regulations were known. It wasn't a secret. I would like to request that the regulations for this bill also be posted on a government web site or a nongovernment web site. I really don't care. Just get the regs out there so that people can have a look at them and understand exactly what the devil is in those details, because the detail is definitely the regs. So I wanted to make sure that I got that on the record and didn't let that slip by.

I do not like this bill. My notes are all from second reading, but of course it's past second reading. In Committee of the Whole one may speak more in depth about what's being proposed, can go in fact line by line or word by word and/or bring amendments, all of which are perfectly acceptable, despite what the Minister of Justice would like us to believe, that we should only be doing one or the other but not both.

What I don't like about this plan is that it doesn't put the consumer first. I think that a government electricity plan should be to provide electricity to Albertans at the lowest cost. It should not be to provide a more attractive market for electricity retailers. So my overriding question around this bill is: who benefits? And the answer I do not think is Albertans and certainly not if we are to judge this bill by the previous bills that the government has brought in around electricity deregulation. Albertans are not paying a lower cost there, and no matter how much this government stamps its tiny little foot and waves its tiny little fist in the air, it did not bring the prices down. The government insists that bringing more competition into the marketplace will work. Well, it hasn't. All that's happened is that this bill is now going to transfer even more of the risk onto the consumer, onto Albertans. So I think the answer to the question, "Who benefits?" is: just about anybody but Albertans and the consumers.

When I look back – and I'm now serving into my seventh year here, so I was around for a good part of the electrical deregulation, and I've spoken against it as much as I possibly can. So the government deregulated electricity in three stages, and the last was this retail portion, which is what's before us now. As far as I'm concerned, the stages were: one, create uncertainty; two, no one will build generators as a result of the uncertainty that's been created; and three, we don't have supply keeping up with demand, and prices start to go up. Now we go on to the other stages, which are price increases. So once again Albertans and the consumers did not benefit. Somebody did, but it certainly wasn't them.

[Mr. Lougheed in the chair]

So our problem, really, and I think the problem that the government has with this is how to get new companies interested in participating in this retail market. Now, what's interesting to me is

that if this really was a marketplace where companies would make a lot of money, they would have been in here like flint, but I think what we've got is that there's not enough profit that the corporate shareholders of companies can really make a lot of money. And that's the point, and there's nothing wrong with that. It's perfectly legitimate. That's what businesses do. They've got shareholders. They make money. That's what they're there to do. Lots of times they provide a service or a product that people want to buy. Great all the way around. But I think that that is not always true when you step into provision of utilities. I myself would prefer to see utilities owned by the government, but that's not going to happen in Alberta, so I've lost that on round one, but I will still try and maintain as much of a regulated marketplace as possible.

So I guess the question is: if a government deregulates and there is no increased competition, did the plan work? You can hum that along with the old saying about: if a tree falls in the woods and no one is there to hear it, did it make a sound? Same concept, the Zen of electricity, if you like. And I think that the answer is: no, it didn't work. The plan did not work; it failed. What we've got now is consumer confusion, we've got industry chaos, and we now have even the government admitting that we will never get back to the low prices that we once enjoyed. And where were we, say, eight or nine years ago? We had stability. We had low prices.

An Hon. Member: We didn't have enough power.

Ms Blakeman: We had enough power. We did.

Now, if the government hadn't made such a large declaration about how they were going to get in and really stir this all up and then did nothing for such a long period of time that it created that hesitation and uncertainty with the companies that were interested in building power plants, then they would have continued to build them, but we all know that they stopped because they didn't know what the government was going to do with electricity deregulation. They were waiting for the rules. They were waiting for some sign of what the heck was going to happen, and they didn't get it for a long enough period that they all went: whoa; let's stop these horses. And they did. They waited to see what the government would do, and they didn't get the legislation through in time, at which point we had not enough supply, and we did start to have rolling brownouts, which at one point I think the excuse for it, that was actually given by the then Minister of Energy, was that it was a squirrel that had caused a brownout in one particular area of a major centre in Alberta. Unbelievable. I'm sure he'll never live that one down.

Ms Carlson: It was a blue and orange squirrel.

Ms Blakeman: Yeah. It was a squirrel wearing a little blue and orange sweater, I think. It must have been that day.

But what we really have here is consumers that are paying and paying. They're paying the deferral accounts. And how many do we have now? We've got the deferral account from 2000. We've got the difference in the regulated rate option from 2001. We've got a deferred Balancing Pool. We've got higher prices. And still to come? Oh, my goodness, higher prices again and risks. Now, where are we – and this is interesting – with risks like site reclamation or force majeure compensation, for example? I did try and go through this.

11:10

I have a generating plant in my constituency. It's just down the hill here, the Rosedale power plant, and there's been a good deal of work from that community and a number of other communities that

banded together under the name of ConCerv to try and convince any power that they could that that power plant had reached the end of its useful life and should be shut down. Indeed, the Minister of Community Development did the right thing and supported the application for designation as an historical site, and with that requirement upon them the owner, which is EPCOR, decided that it was too expensive for them to follow through on the – I'm trying to remember the words that they were using – repowering. They were looking to expand and to put in new turbines and basically sort of reinvent that power plant.

Now, there is concern still being expressed by the community and others, including the city, which is now relooking at what's going to happen to that site, and I looked in here to see if there would be any answers provided. For example, we need to get the question settled of who's responsible for site reclamation. If in fact the city does decide as the major and only shareholder of EPCOR that they are going to shut down that plant, decommission it, in other words – its decommissioning date was 2000, so we're past it. We were led to understand during the last debate around electrical deregulation that for plants like that there was going to be a fund in place that would help pay for the reclamation of the site once the plant itself was decommissioned. There's an understanding that although the date mentioned was 2000, that doesn't mean that the power plant shuts down that day. It's just that you don't do anything more to upgrade it or upkeep it or maintain it, and slowly as it becomes obsolete, it will indeed be shut down, one assumes within, say, 10 years.

So where is the money to reclaim that site once it's been decommissioned? This is interesting. Okay. I can hear the minister sort of mumbling to himself, so I know, then, that he will get up and give me an answer to this, and I'm looking forward to it. Certainly the members of the community of Rosedale and everyone that's worked on the ConCerv group plus a number of other individuals in Edmonton and elsewhere that are interested in what's going to happen to this power plant will be interested in what the minister is going to tell us about that.

So what's in this bill that's going to help them with the decommissioning costs and the site reclamation costs? When I looked under Balancing Pool Duties, I didn't see it there, and when I looked under Generation, which is talking about permissible municipal interests in generating units, if I'm reading this right – and I may not be – it in fact seems to be saying that

if a municipality or a subsidiary of a municipality had an interest in a generating unit on May 1, 1995, that municipality or subsidiary may continue to hold that interest after May 1, 1995 if the generating capacity of the unit does not increase significantly beyond its capacity on that date.

In other words, under this the Rosedale power plant could not have repowered, which I think is why they were in such a doggone hurry to get that through before, and in fact it's failed. So now my understanding is that any future expansion of that plant would not be allowed under what's being proposed here in Bill 3, and I look to the minister to confirm or deny that.

I think that overall citizens in Edmonton have some trouble with this part 6, Generation, in that it is putting limits on what municipalities that own generating plants are able to do, and there is some degree of exasperation that's been expressed to me by citizens and therefore part shareholders, at least beneficiaries, of the city of Edmonton about having the municipality's hands tied around this.

So we've got things like the termination of power purchase agreements by the Balancing Pool, power purchase agreements ceasing to apply, et cetera, et cetera, and then, of course, the usual pages and pages of regulations. "The Minister may make regulations," and on it goes. So I am still wondering what happened, and

we were never able to get sort of ironclad confirmation of the original agreement about what was supposed to happen for decommissioning costs of plants under the previous legislation. My question stands: what's in here under this one?

I go back to my original concern here that what I see happening in this bill is that it is transferring the risk to Albertans, that the risks that would be taken under this are now guaranteed by Albertans. I think there's a need to make the companies take the risk. That's the way I've always understood it. You take the risk; you get the profit. You get the payoff. You get the big win. Isn't that the definition of free enterprise? That's not what I see happening here. I see the risk being downloaded onto the shoulders of the ratepayer, the consumer, the Albertan, and the companies stand to make an enormous amount of money. So they're not taking the risk, but they are making the money. There's an imbalance there, and it's not an imbalance that benefits Albertans.

The other major problem that I have with this bill is that it is not promoting conservation. So we have the risks being moved onto the shoulders of Albertans without their getting the benefits of the big payoff, and the bill is not promoting conservation.

I continue to be concerned about fairness. Now, I have raised the issue of fairness a number of times in connection with electrical deregulation. On the last go-round on this we found that there was an inequity in the way things were applied for a number of the constituents of Edmonton-Centre and, in fact, any constituency that had people living in high-rise apartments or condominiums because there was an inequity in how the regulated rate option was applied. There was a better rate for single-family, detached homes and a less beneficial rate applied to high-rise apartments and condominiums. The defining factor here was whether units were individually metered.

Interestingly, I have a number of very old apartment stock, three-floor walk-ups, that are still individually metered, which is unusual because in this day and age individual metering is considered high-end. So the very expensive condominiums along Victoria drive, which is where the Premier lives – and in fact he's referred to the fact that he has individual metering – get the advantage of the regulated rate option and also got the advantage of the rebates that were offered for energy.

The people that were living in the high-rise apartments and those apartments that had been condo-ized or were built as high-rise condos got a different deal. They got a different deal on the regulated rate option, and they got a different deal on the rebates and the money that was offered – what did they call them: energy refunds or something? – to help people cope with the very high electricity rates just prior to the election.

Now, it was sold at the time, and the government talked at the time about how they were protecting families, but in fact as I repeatedly pointed out, they were only really protecting and giving protection, offering special protection to families who were in single-family units. In other words, they only offered protection to families in certain kinds of living accommodations. So it was the living accommodation that was the deciding factor there, not whether or not you were a family or were talking about a residence or someone's home. In fact, those high-rise apartments and condominiums were often defined as commercial, and that's why they got the lesser rebate and in fact had a higher regulated rate option. So I'm interested in whether that unfairness is being carried through under this proposed legislation.

The other issue that arises frequently is that the volunteer treasurers of the condominium boards have to try and figure out what the electricity rate is going to be for the upcoming year. In fact, there's legislation that makes them do that by a certain time, and I

often get calls around that time of the year as they try and figure out what is going to be a reasonable estimate for them to include so that they know how to set the condominium fees. There's high confusion around that because they were told to check – I remember back in the beginning of this electrical deregulation – the web site for competition. They all duly went there, and there was no competition. They could not get another company aside from EPCOR and then, finally, Enmax to bid on their contract, period. So there was no competition for them, and they certainly did not manage to get a better rate.

Thank you, Mr. Chairman.

11:20

The Acting Chair: Thank you, hon. member.

The hon. Minister of Energy.

Mr. Smith: Well, Mr. Chairman, thank you very much for the opportunity to enter into debate and, certainly, attempt in my humble way to provide some clarity on the legislation and some further information on the bill. The member asked many questions, and hopefully I can shed some light on some of them.

I think the first question was a deleterious comment as to the effectiveness of the marketplace. Mr. Chairman, it's important to remember that the residential side is approximately 12 percent of the entire electrical marketplace. When you look at a load of some 8,000 megawatts in the Alberta grid, this means that 7,000 megawatts is being served without any problem, without anybody coming to government or to opposition and saying that there are difficulties in that part of the market. So we know that that part of the marketplace we've got correct, and that's 88 percent.

Now, I don't think there's been any denial on the government side that the marketplace at the retail level would be served better by further competition. We already have two city-owned utilities competing. If you're a business, then you have access to some 20 to 25 other commercial retailers to look at your business, and that part seems to be working. So, really, one of the things that we've heard is of the entry of another world-class retail marketer that will add substantially to competition, so I think that we can assuage the member's worries that the marketplace is in effect not working, because it is in effect working.

She did bring up the comment of force majeure. In fact, if you would go back to I believe it's the TransAlta turbine that went out shortly after the start of 2001. They tried to implement force majeure, which is a process in which the generator is held nonaccountable because of acts that would be nonpreventable for the generation of electricity. In fact, the Balancing Pool at that time ruled in favour of the utility who had the PPA, and TransAlta had to pay Enmax I believe a number around \$45 million. So in fact that part of the marketplace is working exceptionally well.

Then the member started to talk about owners' liability, the Rosedale plant, and limits on municipal generation.

An Hon. Member: Site reclamation.

Mr. Smith: And site reclamation. I can provide the information. To the best of my knowledge, Mr. Chairman, those who benefit from the generation are the owners, and as a result those owners would incur reclamation as a normal business risk as part of a commercial material transaction. Rosedale is an antiquated plant and in fact has only run in the last number of years as what we called a peaker plant, and that's the time from 4 to 7 p.m. During that time when the load goes up and we're all home washing dishes, turning on lights, and increasing the power load, then at that time these peaker plants come into play.

Now the last peaker plant, Mr. Chairman, that was built under the regulated model was one called Clover Bar. Clover Bar, which coincidentally happens to rhyme with your constituency, Clover Bar-Fort Saskatchewan, was the second – well, economically, one would say that it's the most inefficient plant in the entire mix of generating facilities in Alberta. That was built under the regulated model. It has a heat rate of 10.5, which means it's about 10,500 BTUs in order to manufacture a kilowatt-hour of electricity.

Today's peaker plants, today's natural gas plants, are not only just run for peak performance in the period between 4 and 7 but are run on the margin in the merit order graph. Those plants have a heat rate of 6.5. So the private sector has already – and this is without a long regulatory process – put in facilities that are 42 to 45 percent more efficient. When they're more efficient, what happens, Mr. Chairman? They are more conservation oriented, and I want to come back to that because part of the question from the member has been conservation. It's always a concern of this government, appropriate conservation and appropriate use of resources, and certainly there's no better hand than the invisible hand of competition to allocate those scarce resources via the mechanism and vehicle of competition.

Mr. Chairman, let me move on to the member's question on limits on generation.

An Hon. Member: Site reclamation.

Mr. Smith: Site reclamation is the responsibility of those who own the plants. So I will repeat for the benefit of the member. That way it's referenced in *Hansard* a second time for clarity.

Mr. Chairman, with respect to limits on generation, one of the real designs of this legislation was that we don't want to have limits on generation. We want the marketplace to determine what the limits on generation are, and in fact that's where you can see the nature of the competitive market in action. There have been some 3,000 megawatts of new generation come on over the last four years as investors who take the financial risk respond to a market opportunity. In fact, this month we're seeing the Calpine Corporation's 265-megawatt plant ramp up just outside of Calgary, and that's a very positive thing. Hunt Power has indicated their preference to put a 365-megawatt generator in the Crossfield area, an area, actually, where people are welcoming that facility for the jobs and investment that it creates. EPCOR, the municipally owned utility, that members opposite seem to love to love and love to hate, also are on budget, on time, and on spec in their supercritical coal-fired plant that they're building in the Wabamun area. So we're actually seeing very positive reports on new generation throughout the province of Alberta.

If I can turn the members' attention to part 5 of the bill, which is the liability section, the appropriate liability that the bill talks about is the liability or the protection, if you will, Mr. Chairman, for the independent service operator, the market surveillance administrator, and the Balancing Pool, all statutory corporations created by law and also with appropriate liability treatment specified in the law that creates them. Therefore, part 5 spells out that liability for each of the three areas as well as their employees. In fact, parties doing business in any market are exposed to the risks of error or damage to others. In the electric industry liability does exist for all parties, hon. member, and they manage the risk and they put the cost matrix to the risk analysis as part of their overall business judgment. So that part is covered in part 5 of the act and can be seen there.

11:30

I really want to provide crystal clarity to your comment about

conservation. Nothing has been better for the green power industries, as the Member for Edmonton-Highlands is going to point out shortly, than deregulation. There's no question, there's no doubt on the amount of green generation that has been put into Alberta, to the point where next year Alberta will surpass all other provinces, large and small, across Canada in their production of what is known in the marketplace as green power. In fact, what this program of deregulation and new competitive market structure has done is provided a value on heat, provided a value on waste product, provided a BTU value that has stimulated conservation and stimulated the utilization of power sources in every which way.

You will note that this government, that in many cases I know the hon. member wants to support but sometimes has just tiny little disagreements with, executed the largest green power contract in the history of North America. I know that's important to you members, so I wanted to make sure that that was on the record for you. The price is the price. It was a bid price. The hon. Member for Edmonton-Ellerslie said that it was a premium price. I know that her crystal ball might be parked beside a broom or something. You know, you would then be able to put forward some sort of accurate prediction, but, Mr. Chairman, there is absolutely strong and compelling evidence that this is the most reasonable green power deal. In fact, it's cheaper – cheaper – than the conventional power agreement that the government had.

So I know that the hon. member will want to support conservation. For example, Mr. Chairman, in Lloydminster, Archer Daniels Midland have a five-megawatt cogeneration in a wonderfully progressive and still Conservative constituency called Vermilion-Lloydminster, and a wonderful place it is. I've had the good fortune of visiting there. In this bright constituency there is also a five-megawatt generator that the Archer Daniels Midland corporation has for canola oil. It's a canola crushing plant, rural value-added, again another positive contribution to value-added agricultural strategy. In fact, when they look at the price of canola oil and they look at the price of natural gas, that's how they run their generator. Now, that to me is top drawer in conservation.

I know that what's being run on green power, the Enmax partnership with Vision Quest and TransAlta that's going to make Alberta the number one wind producer over the next year, is also important to the member, so we want to put that out. In fact, we take a look at Grande Prairie-Wapiti, just a wonderful constituency in the northern part of Alberta, one that is actually not adequately served at this time with good transmission. So, in fact, what does deregulation do? It allows you to put good generation close to the spot where it's needed, and what we're going to see, hon. member, is a biomass project on the Canfor site that's not only going to provide electricity for the government, but it also through the generation of steam is going to provide heat for government buildings. So it's two benefits in one. I can see that members on this side are quite taken with the ability for that to work that well.

I think I could go on with other conservation examples, but I'd be pleased to add those in further debate if they were further needed, Mr. Chairman. In fact, the marketplace is its own conservation device, and for that, the strength of this marketplace is particularly important.

I think that the member also talked about the inequity in the RRO and the importance of moving to something transparent to see how an RRO is set in a transparent fashion, to see that there is equity in distributing that regulated rate option to those who wish to take advantage of it. So that's why I know she'll then support the part of the bill that puts regulation into the Energy and Utilities Board, where it's held now in transparent hearings, and that will have fair scrutiny and the ability to note the equitable charging of electricity rates on a level playing field basis.

Mr. Chairman, I think that most of the comments by the hon. member have been responded to in an honest fashion. I think that we are seeing a competitive structure unfold in Alberta that is now delivering power at the right price at the right time at the right place. We're not having to mortgage the future of our working folks or our new companies or mortgaging the future of our children. We have a good market. We've asked for a midcourse correction, and this midcourse correction is not a creation of this Legislature. It's not a creation of this government. It's not a creation of the opposition's questions. It's a creation of two years of consultation, consultation with every stakeholder group, consultation that cast a net as wide and as broad as to include the hon. Member for Edmonton-Highlands as an interested party on the web site for information. He's taken that information and again, I'm sure, found some positive areas that he'll want to comment on when his time to contribute to debate arrives.

So, Mr. Chairman, this consultation process, a variety of committees, the Advisory Council on Electricity, the business issues group, the retail issues subcommittee – this bill, this midcourse correction, is simply a response to industry players, consumers, those individuals who have looked at a market situation and have responded in strong content to questions asked and provided us with good suggestions that we have assembled together and assembled in a bill called Bill 3, the Electric Utilities Act, that has been some two years in the making. It's been subject to a long and voluminous debate in the Legislature, to questions in and outside the House, and I think there's been a quite thorough examination on the bill.

The Acting Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks. Just three little points in response to the minister. I'm sure that he didn't mean to misunderstand the point that I was making about the unfairness in the regulated rate option, which was, in fact, an unfairness that was put in place by the government.

Secondly, one of the questions that I had asked very clearly at the beginning and to which I did not get an answer – so I'll put it on the record again – is: will we see the regulations perhaps posted on the web site or available for people to see before they are actually implemented?

Finally, again I'm sure that the minister wasn't being cute at all, when he talked about conservation, that he decided to talk about conservation on the side of developing new forms of what's called green energy. My concern with the bill was that it was not encouraging individuals to take steps to conserve the demand upon energy. In particular, I'm concerned about anything that can be done or any plan that the government has or advertising program that would encourage people to use less energy and to help them cope perhaps by retrofitting their homes or any assistance to retrofit their homes, such as the fund that's been proposed by the Member for Edmonton-Ellerslie.

So those were just three follow-up points that I wanted to make to the minister, and thank you very much for the opportunity.

The Acting Chair: The hon. Minister of Energy.

Mr. Smith: Thank you, Mr. Chairman. With respect to the RRO, the rate-setting process, I have outlined that it will be in front of the EUB, and we'll look forward to equitable rate setting across the board for the RRO.

The regulations – and the member makes a good point – are in discussion, under debate, in development. Some are posted on the web site, some are available through some of the various industry

subcommittees that are going on, and they're very much going to be put together in concert with consumer and with generator.

11:40

Just a final note, Mr. Chairman, on conservation. From a demand perspective, since the introduction of the new competitive market model in January there has been a reduction of about 6 to 7 percent, according to some early analysis by TransAlta, in the demand rate for electricity, so people are by paying attention to them taking measures.

As I talked to the former Auditor General tonight at a goodbye soirée for the Ethics Commissioner, Mr. Robert Clark, the former Auditor General said that when he got his electricity rebate, he just went out and took that money, \$40 a month, and bought high-energy-efficient light bulbs, and he said: I made a decision as to how I want to use the energy rebate that I received in 2001. Of course, you know, when the government put that money, which was consumers' money, back in their hands, we did not put any specific restrictions on how this should be used nor did we want to take programs that would drive tax reductions to the richer levels of society. We wanted, in fact, this to benefit everybody in a fair manner.

So I can report to the member that there is good progress in the marketplace on conservation, and we would expect Albertans to respond as they have in the past, with further attention to wiser and better use of their resources, as they do on an annual basis, Mr. Chairman.

The Acting Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. Well, I have a number of comments to make. I also have a number of amendments, but given the fact that the government has imposed closure and we only have a few minutes left, and given that the government just automatically votes down opposition amendments, without debate in many cases, I won't introduce them, but I will tell the House what we had in mind.

First of all, section 106 of the act prohibits owners of distribution systems from engaging in retail functions within the electrical system, and I believe that this is meant to tie the hands of EPCOR and Enmax. By amending the section, EPCOR and Enmax would have been able to continue to provide retailing services. This is the division or the unbundling that we've seen in the EPCOR/Aquila area, Mr. Chairman, and it's clear that the problems multiply when you've got two people involved, one in the distribution and one in the retailing of electricity. That's been a real mess. It doesn't, I suppose, always have to be as bad as it's been, but it certainly speaks to the government learning lessons the hard way rather than anticipating them and dealing with them before they happen, as we I think have a right to expect when it comes to our power system.

Another amendment might have been an amendment to section 147, which would have eliminated the payment in lieu of taxes. Now, of course, the money that Enmax earns benefits the citizens of Calgary, the money that Medicine Hat utilities earn benefits their citizens, and the money that EPCOR earns benefits the citizens of Edmonton. So this is money taken directly out of municipal coffers and funneled into the provincial coffers, and it would be better, I think, if we had the province involved in the electricity business so that the profits that would be made first of all could be reasonable and second of all could be put to the benefit of the citizens. This model of the municipalities is an excellent one and shows how we can provide power at a stable and reasonable price and at the same time use it to offset the requirement for taxes. That's seen by citizens of Edmonton, Calgary, and Medicine Hat as a very positive

thing, and it would be something this government would be well advised to look at as well.

Another amendment, Mr. Chairman, that I had in mind was looking at section 108. Clause (b) there will also allow the minister to further tie the hands of municipal entities, so that's a concern, and we would have been pleased to bring forward an amendment with respect to that one.

Now, there's another one that I think would have been worth the Assembly's consideration had not closure been brought in, and it's similar to the amendment striking out sections 3, 4, 5 of section 42. It strikes out the same subsections in section 75, and it ensures that the Balancing Pool is an agent of the Crown. Keeping the Balancing Pool as an agent of the Crown would have meant that the Balancing Pool would continue to fall under the jurisdiction of the Ombudsman, the Auditor General, and so on, and that would have made sure that the Balancing Pool had a reasonable degree of public scrutiny. We don't accept the argument that because they have to hire some auditors, that's going to be an adequate look at the operations of the system. This system is operated in the interests of the citizens of this province, or at least it should be, Mr. Chairman, so not having those kinds of agencies able to have a look into the operations I think ensures that the system will be much less accountable than it ought to be.

I'd like to speak a little bit about the effect of this legislation on REAs. Like most consumers the REAs, or the rural electrification associations, wish to be able to hedge against fluctuations in the extremely volatile Power Pool price. A proposed regulation will prevent REAs from hedging and force them to supply electricity at the flow-through rate only. This will be particularly disastrous as the lag time between purchase and sale of electricity for REAs will cause significant cash flow deficits as prices are increasing and surpluses as the prices decrease. Financial institutions are unwilling to hedge against REA deficits and surpluses, leaving the REAs in a cash flow bind. Now, we don't know if this is an intentional effort to push REA consumers into choice. The government likes to talk about choice. What it basically means is signing a contract with some big multinational corporation like Direct Energy. That's the government's idea of choice. It doesn't include the choice to have public power or REA power and so on. So we may see the REAs further disadvantaged by this.

Under the proposed regulations the REAs will no longer be able to arbitrate their membership eligibility. The year 2003 contracts with ATCO and Aquila have already been arbitrated under the assumption that arbitration of membership eligibility would be allowed to continue, and this was deemed a fair assumption as the task force of the hon. Member for Grande Prairie-Wapiti assured the REAs that the membership eligibility was not a consideration. I'd like to quote from the REA report to MLAs: Roles, Relationships and Responsibilities Regulation; Prohibition Against Arbitrating Membership Eligibility. It says:

REAs were specifically assured by the MLA members of the REA Task Force that membership eligibility was not a term of reference for the Task Force or up for discussion by stakeholders or a matter which government was reviewing. REAs have lost confidence in MLA assurances that they will seek input from REAs on matters specifically concerning them.

Well, Mr. Chairman, you contrast that with the wonderful assurances that we received from the minister that, you know, not only has he consulted with everybody; he's even included this member on his mailing list. Well, if his consultation with me was indicative of how he consulted with other stakeholders in the industry, then I don't think that the act is particularly reflective of everyone's interests. It certainly doesn't represent my interests.

The REAs feel that they should not be subject to the same prudential requirement deductions as competitive retailers. Statutory retailers such as REAs have a good history of payment, have hard assets to back their obligations, and are a regulated monopoly, which ensures their viability. Competitive retailers do not have the above advantages, and I'll quote again from the REA report to MLAs. It says:

Regulations that prescribe prudential requirements are an intrusion into the management function of REA businesses. REAs are in the best position to determine adequate (and fair) prudential requirements for the protection of their members.

Now, I can go on a little bit more about REAs, Mr. Chairman. REAs are already regulated by their elected boards of directors and the director of rural utilities under the Rural Utilities Act. Submitting REAs to additional regulation via the EUB will add to costs without adding to the service benefits accrued by REA members.

11:50

So I think there are a lot of concerns that had not been adequately resolved, at least the last time we talked to the REAs about this. It comes to the philosophy the minister described, which is that the invisible hand is best able to provide for many things, and I think this is, you know, going back to an economic theory of the late 1700s, being Adam Smith. I think economics have evolved a long way in the last 200 to 300 years, and I think there's lots of contrary opinion with respect to the utility of the marketplace to provide for anything other than the broad distribution of resources within society. It does provide that role quite adequately but in terms of being used as an environmental check and balance is ridiculous and does not take into account the actual history.

Where was the market, for example, when the cod stocks off Newfoundland were being fished out? The market didn't protect against that. The market is not protecting against the wholesale export of natural gas from this province into the American market, leaving us with no feedstock for our chemical industries. The market's not doing that, and we can go on and on and on. Because the government is so one-sided in its outlook, it completely negates the use and the role of responsible stewardship by government, and that's something that New Democrats actually believe in.

Now, the minister also talked about the question of green power: does, in fact, the deregulated system that the government has put in place lead to the development of green power, alternative energy sources, and conservation? Well, the answer is that, yes, it does. But the interesting thing is: how does it do so? Well, it primarily does so because it creates very high prices. All we have to do is make the price of a commodity beyond the reach of most people and you'll find that it does generate innovation and conservation, so that's certainly true. But what's the price we're paying, then, Mr. Chairman, for this conservation? What is the price that the average consumer, who admittedly doesn't consume the majority of power but is nevertheless completely dependent on that power for their daily lives – how do they survive, and how do they work within this kind of system?

I think that's something the government hasn't really talked about, and they haven't made any claims for electricity prices coming down substantially as a result of the increased competition. I'd like to hear some predictions. I know that we've had lots of predictions from the government about what their policies will produce in the electrical industry, and almost none of them have come to be, but it would still be useful if the people of Alberta had some inkling of what power prices are going to look like when we have Direct Energy and potentially another major retailer enter our market. Is it going to give some relief to these higher prices?

It's true; the minister has indicated, and I think correctly, that for

large consumers of electricity the market has not been too bad because they have considerable market clout, Mr. Chairman, and they have the resources and so on to buy in just the right way at just the right price in order to minimize their costs. They have market clout. On the other hand, the small percentage of power consumed by the vast majority of Albertans does not lend itself to market competition, and we've seen the results of that. I will be absolutely amazed if the entrance of Direct Energy and the other American company into the retail market substantially depresses electricity prices in this province, which brings me to the question of the flow-through pricing, which is replacing the regulated rate option.

They don't call it a regulated rate anymore, and they shouldn't, because it's not. It's really just a way of aggregating a market cost and passing it on to consumers. It's really just a way of calculating market cost for consumers. So what they do under this approach – and this is something that the hon. Member for St. Albert should understand so that she can explain this to her constituents. They take the price of power for the previous month, the average price. They average it, and that's the price you pay the following month. If you look at the prices this month that TransAlta is faced with, it's around 10 cents a kilowatt-hour, so that translates next month into a price that may be as high as 120 percent more than the month before.

I should clarify. That's only calculated on the energy portion. That doesn't include the multitude of new charges that people have to pay in order to support this new system, like distribution charges and rate riders and all of those things. That's just on the cost of the energy, but it is going to be a dramatic increase in the cost of energy. In fact, what we're looking at in this bill is the extension of that approach to replace the regulated rate option by all distributors of electricity or all retailers of electricity in this province. So not content with shooting up the prices of electricity now, already somewhere between a 60 and 100 percent increase since deregulation, we're now going to see on top of that dramatic increases yet again.

Mr. Chairman, I have a sense out there that I've not had before. There's a sound, and it's the sound of the voters of Alberta reaching their breaking point when it comes to utility costs. There is an anger out there on this issue that I've not seen before and which I fully expect will make itself manifest in due time. People are just fed up with having to pay these prices and always being told to wait for tomorrow or wait for next year. You know, there's an old saying from the farms in the Depression. They used to call it "next-year country" because, you know, the next year was going to be better. There was going to be some rain, and they'd get a crop in and so on. This has become next-year country as far as electricity goes because the government keeps promising: well, if we just go a little farther down the road, things are going to get better.

Well, they haven't so far, Mr. Chairman, and it should be a warning to people. It should be a real signal to all hon. members that the experiment with ATCO, where they agreed to be the guinea pigs with the EUB to try out this flow-through pricing, is going to result in a dramatic increase, and they're not denying it. I know that the hon. Member for St. Albert is upset that I'm suggesting that there's going to be another big whack on her constituents' power bills, but in fact if she checks with the power company or if she checks with the Consumers' Association or if she checks even with some other MLAs on the government side who know something about this issue, she will find that what I say is in fact true and is imminent.

So this is now part of the bill, and this will become generalized to all power retailers in the province. So what's happening now in St. Albert and Grande Prairie and parts of eastern Alberta within the TransAlta area is very likely going to become the norm throughout

the whole province because that's just the way that the market is being applied in this case, and it's nothing more than paying the average market price one month back.

So, Mr. Chairman, with those comments, I'll take my seat and thank everyone for their kind attention.

12:00

The Acting Chair: Thank you, hon. member.

Pursuant to Government Motion 14, agreed to March 24, 2003, which states that after one hour of debate all questions must be decided to conclude debate on Bill 3, Electric Utilities Act, in Committee of the Whole, I must now put the following question to conclude debate. On the clauses of the bill are you agreed?

Some Hon. Members: Agreed.

The Acting Chair: Opposed?

Some Hon. Members: No.

The Acting Chair: It's carried.

[Several members rose calling for a division. The division bell was rung at 12:02 a.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Ady	Hlady	Norris
Broda	Horner	Ouellette
Cenaiko	Jablonski	Renner
Coutts	Johnson	Smith
Ducharme	Jonson	Snelgrove
Dunford	Knight	Stelmach
Evans	Lougheed	Stevens
Forsyth	Lukaszuk	Strang
Friedel	Masyk	Taylor
Graham	McClelland	Vandermeer
Graydon	McFarland	Zwozdesky
Herard		

Against the motion:

Blakeman	Carlson	Mason
Bonner		

Totals:	For – 34	Against – 4
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[The clauses of Bill 3 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Some Hon. Members: Agreed.

The Chair: Opposed?

Some Hon. Members: No.

The Chair: Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would now move that the committee rise and report Bill 3.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 3. 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: All those who concur in this report, please say aye.

Some Hon. Members: Aye.

The Deputy Speaker: Those opposed, please say no.

Some Hon. Members: No.

The Deputy Speaker: The motion is carried.
The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. It has indeed been a very good evening of further debate on bills 27 and 3, and I'm sure all members are pleased with that. Therefore, I would now move that the House stand adjourned until 1:30 p.m., later this afternoon.

[Motion carried; at 12:16 a.m. on Tuesday the Assembly adjourned to 1:30 p.m.]