

## Legislative Assembly of Alberta

Title: **Thursday, March 27, 2003**

1:30 p.m.

Date: 2003/03/27

[The Speaker in the chair]

head: **Prayers**

**The Speaker:** Good afternoon. At the conclusion of the prayer would you please join me in a moment of silence.

Let us pray. O Lord, we humbly give our gratitude for the life of your faithful and trusty servant, Edward Glancefield "Ted" Hole, husband of our beloved Lieutenant Governor, Lois Elsa Hole.

We give thanks for his love of family and his gift of friendship, for his grace, dignity, and courage, for his humour, generosity, and sheer love of life.

We remember his family and all who mourn.

Would you please join me now in a moment of silence. Amen.

Please be seated.

head: **Introduction of Visitors**

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

**Mr. Horner:** Thank you, Mr. Speaker. It is my pleasure to rise on behalf of my constituents, yourself, Mr. Speaker, and the Member for Redwater and introduce through you to all members of this House two of Alberta's elected municipal officials. I had the opportunity to have lunch with these individuals today, where we discussed regional issues of mutual interest. As far as I know, they are not paid lobbyists, but I bought them lunch anyway. I would like to ask that His Worship Mayor Lloyd Bertschi of Morinville and Councillor Don Rigney of Sturgeon county rise in your gallery and receive the traditional warm welcome of this Assembly.

head: **Introduction of Guests**

**The Speaker:** The hon. Minister of Transportation.

**Mr. Stelmach:** Thank you, Mr. Speaker. Today it is a great privilege to introduce to you and through you to members of this Assembly constituents from Vegreville-Viking seated in the members' gallery. All the people that I will introduce share a common thread of community-building, unbelievable hours of volunteering, all individually talented and skilled, and one thing that can be said about all of them is that they all put the needs of others ahead of their own.

I will ask the following people to rise and receive the welcome of this Assembly as I call their names, and these are all recipients of the Queen's golden jubilee medal. The first person I'd like to introduce is Mrs. Elsie Kawulich from Vegreville. Next are Mrs. Georgina Hauca from Willingdon, Mr. Jack Roddick from Viking, an unbelievably talented pianist Mr. Christopher Kupchenko from Brosseau, Mrs. Mae Adamyk from St. Michael, Mrs. Yvonne Brown from Tofield, my former bus driver, Mr. George Morie from Andrew, and Mr. Jerrold Lemko, volunteer fire captain of Vegreville volunteer fire brigade. I will ask all of the recipients and their accompanying family members and support members to rise and receive the traditional warm welcome of this Assembly.

**The Speaker:** The hon. Deputy Speaker.

**Mr. Tannas:** Thank you, Mr. Speaker. It's my pleasure today to

introduce to you and through you to the members of the Assembly 40 members of the Girl Guides of Canada, Alberta Council, who are participating in the Alberta Girls' Parliament. They are accompanied today by head adviser Edie Jubenville and leaders Sherry Gurjar, Claudette Vague, and Bernadette O'Connor. They're seated in the public gallery this afternoon, and I'd ask them to please rise and receive the warm traditional welcome of the Assembly.

**Mr. Ouellette:** Mr. Speaker, it gives me great pleasure to stand up on behalf of the hon. Member for Wainwright and introduce to you and through you to all members of the Assembly 19 of the brightest children in Alberta, from Allan Johnstone school in Hardisty. I did get a chance to speak with them before we came into the House, and they're a great grade 6 class. They're accompanied by their teacher, Mr. Dawson; the school secretary, Mrs. MacKinnon; Mrs. Dewald, the teacher's aide; Mrs. Balaban, a parent; and John Bruketa, the bus driver. I would like them all to rise and receive the warm welcome of the House. They're seated in the visitors' gallery.

**The Speaker:** On this day 47 years ago the hon. Member for Vermilion-Lloydminster arrived in the world, and we will now recognize him for an introduction.

**Mr. Snelgrove:** It seemed longer, Mr. Speaker.

Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to the members of this Assembly three visitors from the Vermilion-Lloydminster constituency. Mrs. Dawn Garnier and her husband, Stan, run a very successful ranching operation near Dewberry. As well as being great neighbours and terrific community supporters, they've been very actively involved in the rodeo industry. In fact, they've participated in Australia and New Zealand both as participants and timers. Dawn is accompanied by her daughters Danelle and Skye. Danelle works as a teacher's aide in Heinsburg, and Skye will graduate from high school in May. Both of these young women work on the family ranch, are involved in rodeo, 4-H, and community sports. They have risen. I wish you would all join me in congratulating them on their attendance and welcoming them to the Assembly.

**The Speaker:** The hon. Member for Redwater.

**Mr. Broda:** Thank you, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you to the members of the Assembly one very special individual, my daughter Cindy Broda. After spending a year in Tokyo and three years in Italy, it's certainly great to have her back home. Accompanying her is her good friend Adi White from Belfast, Ireland. Adi will be leaving next week for Ireland and then to the Caspian Sea, where he's second officer navigating a ship in subsea surveying of oil and gas fields around the world. They're both seated in the members' gallery, and I'd ask them to please rise and receive the warm welcome of this Assembly.

**The Speaker:** The hon. Member for Lac La Biche-St. Paul.

**Mr. Danyluk:** Thank you very much, Mr. Speaker. I am pleased to introduce to you and through you to members of this Assembly a constituent from Lac La Biche-St. Paul and a good friend of mine. Mr. Johnny Lypowy has the distinction of being the longest serving employee of AFSC, a total of 36 years, and I can attest to the fact that he's still running at full choke. Johnny has been a major rancher in the constituency. Unfortunately, the drought has had quite an impact on his herd, and he has recently had to sell his cattle due to shortage of feed. His contributions to the community and the

province are far reaching and include involvement with the REA, the seed plant. He's also associated with the Saskatchewan/Alberta hockey board, the longest active league in the province, and Johnny has been their president for 20 years. Johnny Lypowy is seated in the members' gallery this afternoon, and I would ask him to now rise and receive the traditional warm welcome of this Assembly.

**The Speaker:** The hon. Member for Olds-Didsbury-Three Hills.

**Mr. Marz:** Thank you, Mr. Speaker. It's a pleasure to rise today and introduce 49 very enthusiastic and bright students from the newly modernized Three Hills school. Three Hills school is actually quite famous for producing very bright students. I graduated from there myself a few short years ago. [interjections] I knew I was setting myself up. They're accompanied today by teachers Ms Anderson and Mrs. Riegel, by Heidi Riegel and also Ann Anderson. I'd ask them to rise in the public gallery and receive the warm welcome of the Assembly.

1:40

**The Speaker:** The hon. Member for Edmonton-Strathcona.

**Dr. Pannu:** Thank you very much, Mr. Speaker. I rise to introduce two sets of guests today. The first one I'd like to introduce to you and through you to all members of this House is Mrs. Bettianne Hayward, grandmother of 11 children, all of whom are in our public school system now. She's here for the second time this week to watch us debate issues related to education matters. She's very concerned about underfunding of education. She's seated, I guess, in the public gallery. I'd ask her to rise and please receive the warm welcome of the Assembly.

Mr. Speaker, my second set of guests are mother and daughter. Jette Badre is the chair of Parents of Kids with Diabetes, a parent advocacy group for diabetic children. Today is Jette's birthday, so I would ask that she rise and receive the warm congratulations and welcome of the Assembly. Her daughter Ghita Badre is a second-year student at Grant MacEwan College. She's here to observe the workings of the Assembly, so please give her a warm welcome.

head: **Oral Question Period**

### **Electricity Pricing**

**Dr. Nicol:** Yesterday the top energy regulatory authority in the United States found several energy traders guilty of manipulating electricity prices to increase their profits in 2000-2001. A number of companies investigated by the commission, including Enron, Powerex, Enmax, and TransAlta, were also operating in Alberta at the time. The year 2000-2001 was also a year when this government had to cap skyrocketing prices of electricity here in Alberta. To the Premier: given that this commission found that taxpayers in California were owed \$3.3 billion from the energy firms, how much money are utility payers in Alberta owed?

**Mr. Klein:** Mr. Speaker, that is an interesting question. It was one that I planned to ask the Energy minister myself, so perhaps he can answer it right now.

**The Speaker:** The hon. minister.

**Mr. Smith:** Thank you, Mr. Premier and Mr. Speaker. The hearing was a result of some two years of strong investigation. Primarily, the FERC ruled with respect to the supply of natural gas and primarily coming out of the San Juan basin. That was where the bulk of the

finances are directed to. Throughout that time, those companies that were operating in Alberta were the subject of scrutiny from the Power Pool, the market surveillance administrator, and at the demise of Enron a power purchase arrangement, a PPA, was transferred without incident. There has been no evidence on investigation by either the Power Pool, the transmission administrator, the Balancing Pool, or the market surveillance administrator of any price gouging that took effect in Alberta during that short six-month period where there was a wild swing of prices in the marketplace.

**Dr. Nicol:** Mr. Speaker, to the Minister of Energy then: are you prepared to make some of the results of those hearings or those investigations public so that Albertans can see the way that you looked into protecting their interests?

**Mr. Smith:** We'll certainly take that question under advisement, Mr. Speaker, and if there are documents that can be put forward in the public domain, they certainly will be.

**Dr. Nicol:** Mr. Speaker, will the minister commit that future investigations like that will be done in public so that the public can actually have input and raise questions at those kinds of hearings?

**Mr. Smith:** Well, that's why I'm thanking the member for his support of Bill 3 then, Mr. Speaker, because that's exactly what Bill 3 is intended to do, to bring scrutiny and transparency to the process: public hearings, transcribed hearings, interventions, and a full and transparent competitive market structure.

**The Speaker:** Second Official Opposition main question. The hon. Leader of the Official Opposition.

**Dr. Nicol:** Back to the Minister of Energy: what facts does this government have to support their claim that Albertans are paying fair electricity prices since these government investigations haven't been conducted in public?

**Mr. Smith:** Well, Mr. Speaker, if the member would follow the prices of the Power Pool through the period of time, the number of entrants that were in it, the results put forward by the market surveillance administrator, there is ample evidence that the marketplace had reacted. In the early stages when we were very short of generation, we had a fast, fast growing economy, we had a steep rise in natural gas prices, and we had the spectre of Kyoto also putting upward pressure on prices. These effects cumulated in a perfect storm scenario in the first four to six months of the period. The Power Pool price rose to the 16-cent level and then very quickly drifted back down to the 4-cent, 4.9-cent level as new generation came on.

**Dr. Nicol:** To the Minister of Energy: who is responsible for ensuring that the electricity marketplace is functioning in the consumers' best interests given that the market surveillance administrator has no enforcement powers?

**Mr. Smith:** The market surveillance administrator, Mr. Speaker, I believe, does have the ability to put forward to the EUB, which has long since operated in the public interest. In fact, if you look at EUB decisions over the past 15 months – let me give you one for example: the sale of the Viking-Kinsella gas fields to Burlington Resources by ATCO. That initial decision was made, filed with the EUB, and then the EUB returned and said that some \$167 million further had to be returned to consumers. TransAlta, I believe, also returned 6 point

some million dollars. Engage Energy and the Rainbow operating units were deemed to be in default by some \$60 million. The decisions are very evident and can be followed through the EUB public process.

**Dr. Nicol:** Again to the Minister of Energy: how can the minister claim that the Power Pool is doing its job when in 2001 pool officials argued that it's unreasonable for consumers to expect prices to remain at or close to marginal cost at all times?

**Mr. Smith:** Well, Mr. Speaker, I don't know if the member is asking if the market forces aren't working as they're supposed to or if in fact the structure was inappropriate with respect to the merit order graph. Over and over again the concept of pricing through the merit order graph has been confirmed by the market surveillance administrator and by the Power Pool itself. What that does is ensure that must-run generation is vended in at the very earliest part to the power grid so that must-run generation is not gamed so as to create higher prices.

**The Speaker:** Third Official Opposition main question. The hon. Member for Edmonton-Centre.

### Lobbyist Registry

**Ms Blakeman:** Thank you, Mr. Speaker. In responding to questions yesterday, the Premier stated, "We don't have paid lobbyists . . . We have numerous consultants who represent various companies and nonprofit organizations." Pure semantics. If someone is paid to influence government policy, they are a paid lobbyist. If they are not paid to lobby the government, then they are not a paid lobbyist. A lobbyist list would be used to register paid lobbyists, not constituents. My questions are to the Premier. Will the Premier tell this Assembly what he sees as being the distinction between paid consultants and paid lobbyists?

**Mr. Klein:** Well, Mr. Speaker, I don't know if there is any distinction. I think what the hon. member is alluding to is the issue of a lobbyist registry. Now, she talks about paid consultants. What I mentioned in the media scrum yesterday is that, yes, indeed there are consultants who establish themselves to consult for companies and other organizations with government, with community organizations, with the media. In other words, they combine public affairs, public relations, government affairs into their overall practice.

Then there are some organizations, many nonprofit organizations – as matter of fact, going back to the days when I was the public relations director for the United Way and in charge of agency affairs, I was called upon by those agencies to represent them with the media, with various government organizations like city hall or the provincial government. I was on salary. Was I, then, a paid consultant? I don't think so. Many of those organizations, nonprofits, as they do today, had full-time public relations people within their organization who were also responsible for government affairs and other public affairs.

1:50

So, Mr. Speaker, it's hard to define. Is it all right for a person paid by a nonprofit organization in the role of a public relations director or public relations/government affairs to lobby government? It isn't, no, but they have them. So if this hon. member is standing up and saying that all of these organizations should get rid of these people, then let her do it and see what reaction she gets.

**The Speaker:** The hon. member.

**Ms Blakeman:** Thank you. Given that in 1997 the MP for Edmonton-Southwest, now the Member for Edmonton-Rutherford, stated that the secret is to make sure that everything is out in the open, will this government follow the advice of their own member and establish a lobbyist list for the sake of openness and transparency?

**Mr. Klein:** Mr. Speaker, first of all, a lobbyist list or registry was evaluated by the government about a year and a half ago, and we found that the registry is not needed in Alberta. Indeed, if the hon. member wants to find out who our consultants – and I'm sure they use consultants. They hire consultants. I know that in the last election they hired consultants out of Vancouver. It didn't do them a bit of good, but they hired consultants.

Having said that, Mr. Speaker, we found that a registry is not needed in this province. It would cost about \$400,000 to set up and God knows how much to administer. What we're seeking in this government is quite the opposite from what the Liberals are demanding, and that is less bureaucracy rather than more bureaucracy.

**The Speaker:** The hon. member.

**Ms Blakeman:** Thank you. Well, given that this government spends in excess of \$600,000 per year on closed-door standing policy committees, will the Premier agree that at a cost of less than, as he puts it, \$400,000 once, that's a small price to pay for democracy, to set up a lobbyist list? Six hundred every year. Four hundred once.

**Mr. Klein:** If they use the money we give them for research, the hon. members can produce their own list. First of all, they can produce a list of all the consultants in the province who operate privately and independently. They can go to the Internet or have their researcher – and I'm doing their job for them. They can contact all the nonprofit organizations and find out if they have full-time public relations/government affairs people. They can do all that, and they can publish their own list if they want. You know, I mean, that information is readily available. [interjections] Mr. Speaker, is the hon. Member for Edmonton-Ellerslie suggesting, for instance, that her husband lose his livelihood because he is a consultant along with a former member of this Legislature, this government caucus, Jon Havelock, and a former member of I believe the Liberal caucus, Peter Sekulic? With all due respect, he does a marvelous job. We hire him, the private-sector hires him, nonprofit organizations hire him, and he does a wonderful job in representing whatever he has to represent.

**The Speaker:** The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-McCall.

### Energy Prices

**Mr. Mason:** Thank you very much, Mr. Speaker. This province has an Energy minister who claims that climate change is caused by people breathing and wants a nuclear reactor to power Fort McMurray as long as it's built in Saskatchewan. Now this minister is lecturing his federal counterpart on the importance of energy ministers acting as lobbyists for the oil and gas industry. My question is to the Minister of Energy. Why is it the policy of this government to represent, support, and lobby for big oil instead of

Alberta consumers, who are suffering from obscenely high power and gas bills?

**The Speaker:** The hon. Minister of Energy. And there was a point of order arising out of this as well.

**Mr. Smith:** Mr. Speaker, the oil and gas industry in Alberta, thanks to educational institutions like SAIT and NAIT, thanks to an incorruptible land regime of land tenure by the Department of Energy for some 50 years, and thanks to the EUB, has allowed Albertans from every walk of life, from Drayton Valley, from Grande Prairie, from Manyberries to become successful individuals in an entrepreneurial world. That ability for them to do business on a world-class level has been impaired by the actions of the federal government. I believe that it is the responsibility of elected officials, particularly mine as the Minister of Energy, to be able to say of those individuals who are involved in this business that they are from Alberta, they are world-class, and they're very willing and ready to participate in business activities around the globe.

**The Speaker:** The hon. member.

**Mr. Mason:** Thank you very much, Mr. Speaker. Well, can the minister explain, then, if this is the reason why consumers in Alberta have to pay such high prices for natural gas: because the minister sees his role as acting on behalf of the companies rather than on behalf of the consumers?

**Mr. Smith:** I think, Mr. Speaker, I said every Albertan, and that's exactly the representation of this government: to act continually in the best interests of all Albertans. That includes consumers and that includes those who go out late at night and change wellheads, those who fight oil field fires, those who contribute every day to the great economy of this province. For the member to make representations that this government is less than interested in every Albertan is a remark that should be withdrawn immediately.

**The Speaker:** The hon. member.

**Mr. Mason:** Thank you very much, Mr. Speaker. Well, then, can the minister, if he is actually acting on behalf of every Albertan, explain why oil and gas companies can make record profits, but people's gas bills are often more than their mortgage?

**Mr. Smith:** Well, Mr. Speaker, the member's assertion is as usual incorrect and reaching at straws. Alberta has not been able to control the price of a commodity called natural gas. We are price takers in the international market to the east of Alberta where we export and in the province of Alberta. Since 1985 the price of natural gas has been deregulated. What we are attempting to do with the legislation and with the final deregulation of natural gas is give Albertans a choice, give Albertans the ability to combine electrical and natural gas purchases and for them to accommodate these bills in their own personal budget.

**The Speaker:** The hon. Member for Calgary-McCall, followed by the hon. Member for Edmonton-Gold Bar.

#### Student Debt

**Mr. Shariff:** Thank you, Mr. Speaker. The Canada Millennium Scholarship Foundation recently undertook a yearlong survey of student income and expenditures. Their findings concluded that nine

out of 10 students in the older age category of 26 and up carry an average debt of \$20,500 from government and private sources including high-interest credit cards. They also concluded that students from the prairies, Alberta, and British Columbia, have the greatest financial need and are finding it difficult to make ends meet every month. My questions today are for the Minister of Learning. What kind of financial resources are available to help students with educational costs and monthly living expenses, particularly those students who operate in the red every month?

**The Speaker:** The hon. minister.

**Dr. Oberg:** Thank you very much, Mr. Speaker. In this province we put out approximately \$417 million every year in student loans. We also have a very generous remission plan that allows students to pay back only \$2,500 per semester, or \$5,000 per year, in the majority of the courses.

2:00

In direct answer to the hon. member's question, a single student who lives on his own would receive about \$730 per month in living expenses. On the other end of the spectrum, Mr. Speaker, a married or common-law couple with no children will receive about \$1,455 per month plus expenses on top of that.

So, Mr. Speaker, that's what financial resources are available. We consider our student loan program to be one of the best in Canada. Many students will say that. We fully recognize that student debt certainly is an issue, and we constantly work to ensure that our student loan program is there to ensure that students have enough dollars to go to postsecondary education should they wish.

**Mr. Shariff:** Given that our students are continuing to operate in the red every month, would the minister agree to review the criteria used to calculate the monthly living expense portion of Alberta student loans?

**The Speaker:** The hon. minister.

**Dr. Oberg:** Thank you very much, Mr. Speaker. That's an excellent question because there is a little bit of a myth out there that we arbitrarily decide what the living expenses are by the amount of dollars that we have. In fact, what actually happens is that the living allowances are measured using Stats Canada's survey of household expenses and the consumer price index. The food allowance is calculated by Alberta Agriculture, Food and Rural Development on some of their statistics that they have. We are one of the few provinces that actually increases on a yearly basis the living allowance and food allowance. Last year was 2 percent; the year before that, 2 percent; the year before that, 4 percent. So it is something that we do continually. We do it every year, and it's something that we feel is extremely important as we see such a wide variation in prices.

**Mr. Shariff:** My final supplementary is also to the same minister. Student loans can be of great help to students while they are in school, but what is this government doing to minimize student debt after graduation?

**The Speaker:** The hon. minister.

**Dr. Oberg:** Well, thank you very much, Mr. Speaker. As I've already mentioned, our remission program is probably the best in Canada, where students who are in a four-year degree can basically

plan on paying back approximately \$5,000 of their student loan per year. The maximum amount of a student loan right now is \$11,000. So, theoretically, if a student were to go four years, got \$11,000 per year, they would receive about \$44,000 and would pay back about \$20,000. We feel that this is extremely important to allow our students to go to university, to allow our students to go into postsecondary education, and to continue on in a career in Alberta. It's certainly an economic development tool as well and is viewed as a very positive thing for the students of Alberta.

**The Speaker:** The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Calgary-Mountain View.

#### Natural Gas Prices

**Mr. MacDonald:** Thank you, Mr. Speaker. Alberta consumers are taking a real close look at their current and past natural gas bills and have brought to the attention of the Official Opposition the fact that Northwestern Utilities/ATCO has included the costs of depreciation and financing in the charges to their natural gas customers. This is indicated in their publications between 1994 and 1997 in the segmented cost per dollar gas chart, showing these costs to be in the area of 16 to 18 percent of the total gas costs. For some unknown reason these charts were never distributed again to customers. However, a segmented circle showing the cost distribution per dollar, including depreciation and financing at a lower level, was displayed in early 2001 in their regional office. My first question is to the Minister of Energy. How much money was paid to ATCO by natural gas customers in depreciation and financing over the last 10 years?

**Mr. Smith:** Well, Mr. Speaker, there are motions for returns, and there are ample ways to display that information in the legislative domain. There's also the EUB, which, as I've said earlier, holds public hearings and rules on it, and he is entitled to that information as well.

**Mr. MacDonald:** Again, Mr. Speaker, to the same minister: when are customers who paid millions of dollars for depreciation and financing going to get at least part of their money back now that ATCO is selling part of their operations to Direct?

**Mr. Smith:** Mr. Speaker, those decisions are made in the purview of the EUB, and they are done in an open, transparent fashion. That hearing is coming up. I expect that maybe the member can get down to Calgary and spend some time at that as well as reviewing all the other decisions, the decisions when refunds were made, when rate riders went on. I mean, he's entitled to follow the entire natural gas history.

**The Speaker:** The hon. member.

**Mr. MacDonald:** Thank you, Mr. Speaker. Again to the same minister: given that the federal Income Tax Act allows for depreciation in the cost of financing to be deductible from corporate income provided it has not been collected from another source, could the hon. minister please seek written acknowledgment from the federal department of income tax authorities to ensure that the doubling of these claims has not taken place?

**Mr. Smith:** I would look forward to the hon. member tabling the information and, again, going back to EUB. If we can shed further light on it, Mr. Speaker, we will.

**The Speaker:** The hon. Member for Calgary Mountain View, followed by the hon. Member for Edmonton-Riverview.

#### Securities Regulation

**Mr. Hlady:** Thank you, Mr. Speaker. Securities reform is the subject of much debate across the country. Many financial experts and regulators suggest that the system needs to be improved to provide better protection for investors. They want change. Recently the federal government intruded into provincial jurisdiction again and appointed a committee to study securities regulation and make suggestions to move towards a national securities regulator. My questions are to the Minister of Revenue. Can you please tell the members of this Assembly why you declined to nominate any Albertans to this committee?

**The Speaker:** The hon. minister.

**Mr. Melchin:** Thank you, Mr. Speaker. Before I go on to answer that question, I would like to first remind you that regardless of any approach to improving securities regulation in Alberta, the prime objective that I want to assure Albertans of is that investor protection as well as market efficiencies are our objectives with respect to securities regulation in Alberta. It's true that the federal government did put together a Wise Persons' Committee recently to study this issue. It's been studied many times before, but we felt the best opportunity for improving a national approach to regulation in the country was to acknowledge that the provinces do have jurisdiction for securities regulation, which the federal government knows, and that we find out what the will is among the various provinces to improving the system.

We started earlier last year with British Columbia and ourselves meeting to find out what common ground there might be. That expanded to a meeting early in February with the provinces of British Columbia, Ontario, and Quebec. The four provinces did then agree that we together wanted to provide an initiative among all provinces in the country to improve this. We had a conference call with all the provinces and territories last Saturday and unanimously agreed that we are going to approach and work towards a tight deadline of September 30 to put a working plan together to improving securities regulation in Canada.

**The Speaker:** The hon. member.

**Mr. Hlady:** Thank you, Mr. Speaker. My first supplemental to the same minister: given that you have a committee and the federal government has a committee, will these committees work against each other and create competing interests?

**The Speaker:** The hon. minister.

**Mr. Melchin:** Thank you, Mr. Speaker. I'd like to acknowledge that we felt that the highest opportunity for success in improving it is to ensure that all the provinces are involved in it. That's why Alberta is leading this initiative among the various provinces. We're chairing this as a committee. It is going to be led by the ministers, and that's going to provide the best opportunity for success.

The committees don't have to be conflicting in nature. We will take the consultation of many: the constituents, those that are involved with regulation of securities, and the public at large. We will involve their input, and we will also accept the Wise Persons' Committee as another source of information, but ultimately it does come back to each of the provinces to have to accept and implement any of these recommendations.

**The Speaker:** The hon. member.

**Mr. Hlady:** Thank you, Mr. Speaker. To the same minister: given that the investment industry has been down this road before and many have been asking for a change for a long time, what will make your initiative different?

**Mr. Melchin:** I think a number of things, Mr. Speaker, have made the timeliness of this initiative important. Our Canadian securities administrators have been working together over the last number of years to improve our securities regulation across the country. Many initiatives have already been adopted, such as the mutual reliance system. There's been an electronic filing for continuous disclosure. These things have laid a framework, but one thing which the Alberta Securities Commission has been leading in is a uniform securities legislation project among the various security regulators in Canada. That's laying a platform so that when we want to improve the efficiency of the markets, it has led to all of the provinces and the ministers for the first time that I can recall unanimously agreeing to steer this and ensure that by September 30 we have a working plan. At a minimum we've agreed to implement among other options a passport approach to this. All of us have agreed already to that as a final outcome. At a minimum we'll get to that, and that will substantially improve the efficiency and investor protection in which Alberta is leading.

#### 2:10 Administration of Psychotropic Drugs

**Dr. Taft:** Mr. Speaker, every Thursday the Alberta Liberals will ask a question that a member of the public has asked us to pose. Albertans can send us their questions by phoning our office or visiting our web site at [altaliberals.ab.ca](http://altaliberals.ab.ca). Today Edmonton's Stephanie Baziuk would like an explanation for difficulties she encountered when her 89-year-old father was admitted to a long-term care facility. She said that staff tried to invoke the Mental Health Act to have her rights as her dad's legal guardian taken away and that staff gave him psychotropic drugs even though she told them he has bad reactions to medication. To the Minister of Health and Wellness: when conflicts arise between the Mental Health Act and the Dependent Adults Act, which law supersedes the other?

**Mr. Mar:** I would acknowledge, Mr. Speaker, that you would warn us about the importance of not making a legal opinion on the floor of this Assembly, so I must decline answering this question.

**Dr. Massey:** I bet that makes citizens happy.

**Dr. Taft:** Yeah, that'll make people happy.

Is it acceptable under government policy to prescribe or administer psychotropic drugs without the informed written consent of the resident, the resident's guardian, or other authorized representatives?

**Mr. Mar:** Mr. Speaker, I am reluctant to answer this as well for reasons relating to the fact that we do not discuss individual cases on the floor of this Assembly. If the hon. member wishes to take this matter up with me in a manner that we can deal with in a venue outside of this Assembly, which he has done before to the benefit of both his constituents and the physicians and such who are involved, we can do that, and I make that offer available to him. But to answer questions like this on the floor of the Assembly, asking me about a medical decision by a physician to prescribe a psychotropic drug, is not within the scope of my ability to answer.

**Dr. Taft:** Mr. Speaker, I'll repeat the question because there must have been a misunderstanding. Is it acceptable under government policy to prescribe or administer psychotropic drugs without the informed written consent of the resident, the resident's guardian, or authorized representatives?

**Mr. Mar:** Mr. Speaker, it is a physician who would prescribe a psychotropic drug. It is not the minister of health. It is not properly a government policy issue as he tries to frame it. It's simply not. If there is some suggestion that the psychotropic drug was incorrectly prescribed by this physician and there is a complaint that arises from such a prescription, then the hon. member should take that matter up with the College of Physicians and Surgeons. I am not here nor is this government here to establish policy which challenges the appropriate power to prescribe by physicians, but if there has been an error in improperly prescribing something, then the proper place to take such a complaint and an allegation is to the College of Physicians and Surgeons.

#### Speaker's Ruling Oral Question Period Rules

**The Speaker:** Hon. members, *Beauchesne* 408 reads, "Such questions should . . . not require an answer involving a legal opinion," and *Beauchesne* 428 says, "A question . . . must not . . . ask solution of a legal proposition, such as interpretation of a Statute, a Minister's own powers, etc." The minister is absolutely correct.

The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Ellerslie.

#### Affordable Housing

**Mr. Cao:** Thank you, Mr. Speaker. In my constituency of Calgary-Fort there have been a number of housing facilities constructed for the homeless under a funding partnership from the government, charities, and corporate organizations. These outstanding facilities, such as the Calgary Drop-In Centre and the Salvation Army Centre of Hope, are aimed at addressing the obvious and urgent need for accommodation. However, hidden are many hardworking Albertans who need low-cost housing that is affordable within their low income. A number of the groups have approached me inquiring about the low-cost housing project. My question today is to the hon. Minister of Seniors, who is also responsible for housing assistance. Can the minister tell us the process for a low-cost housing project to start?

**The Speaker:** The hon. Minister of Seniors.

**Mr. Woloshyn:** Thank you very much, Mr. Speaker. We would want an organization, whether it be a private, for-profit organization, a not-for-profit group, a municipality, an outfit such as the Edmonton Housing Trust Fund, to first of all identify a need. When they identify a need, then we would want them also to come up with some sort of equity in order to create a partnership. This could be through land or through money. Along with that would be the establishment of a rental rate that would be truly affordable – and that would have to be agreed upon – and then also to be prepared to enter into a 20-year commitment. If those things would be met, then the Alberta Seniors department as well as the Canada Mortgage and Housing Corporation would be prepared to support it financially and enter into an agreement to go forward with such a project.

**The Speaker:** The hon. member.

**Mr. Cao:** Thank you, Mr. Speaker. My second supplemental question is to the same minister. What role do the governments – federal, provincial, municipal – play in a project like this?

**Mr. Woloshyn:** I think it's extremely important that all municipal governments who would want that project in their area would be involved in the sense that they are responsible for what is happening within their area and also that they would be participating partners wherever possible. The federal and provincial governments' role is to facilitate the project through financial support and to approve the project so that it can go forward.

**Mr. Cao:** My last supplemental question is to the same minister. So what is going on now or expected soon?

**Mr. Woloshyn:** For the 2002-2003 year there was a supplementary estimate of \$8.5 million approved in this House that is matched by federal moneys through the Canada Mortgage and Housing Corporation. Currently the department and the housing corporation have reviewed numerous projects across the province, and they're going through the final stages to make sure the announcements are appropriate. I must say that these are joint announcements between Canada Mortgage and Housing and the Alberta government. For the upcoming year and the outgoing years of the agreement the budget will be coming down soon, and there will be moneys allocated in the budget for next year.

**The Speaker:** The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Edmonton-Strathcona.

### Water Strategy

**Ms Carlson:** Thank you, Mr. Speaker. We would like to thank the Minister of Environment for incorporating in his water strategy many of the great ideas that the Liberals have been promoting for at least five years. However, his own idea about a water tax is not going to be too popular. Will the Minister of Environment explain how he is going to get a water tax through cabinet and into government policy?

**Dr. Taylor:** Well, Mr. Speaker, as much as that member is trying to perturb me, I'm going to remain imperturbable. I just want to say that I did not have an idea of a water tax. It's not my idea. We aren't proposing a water tax, and I would suggest that she probably read the document. As I quite clearly pointed out at the press conference that she was at, we heard quite an argument at the forum we held last June on: should there be a price charged for water? About half the forum said that there should be; about half the forum said that there shouldn't be. Right now in Manitoba, Saskatchewan, with an NDP government, and B.C., with a Liberal government, they do charge for water. So because of that, we have a statement in the draft document, very clearly a draft document, that talks about creating the discussion once again around this very hot issue.

2:20

**Ms Carlson:** Mr. Speaker, will this same minister explain how he plans to get the regulations he talked about today at the conference past the minister of deregulation in this province?

**Dr. Taylor:** Mr. Speaker, what I said is that when government introduces legislation, there are always regulations to back up the legislation. It doesn't matter which minister brings in legislation, whether it's myself or the Minister of Justice. Then there is regulation to back up his legislation or the Minister of Transporta-

tion's legislation or my good friend here the Minister of Sustainable Resource Development's legislation. Legislation has regulations.

**Ms Carlson:** Mr. Speaker, if conservation is the Minister of Environment's top priority with this water policy, will he commit to a retrofit fund to help Albertans save water?

**Dr. Taylor:** Mr. Speaker, as I said, this is a draft strategy right now. We will hear from Albertans about all kinds of conservation methodologies, and certainly as we hear from Albertans on what they think about it, we'll pursue all options, and we'll continue to monitor.

**The Speaker:** The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Banff-Cochrane.

### Oil Supply

**Dr. Pannu:** Thank you, Mr. Speaker. The Minister of Energy has recently been ruminating about joining OPEC. Presumably, he wants to see Alberta get the highest possible price for our oil. Industry analysts are predicting as a result of Iraqi oil coming back onto the world market once the conflict there is over – so in light of this a question to the minister: given that oil prices dropped \$1.45 a barrel yesterday, what's the government's view as to how world oil prices will be affected in the post Iraqi war environment?

**The Speaker:** Very speculative, Minister. Very speculative.

**Mr. Smith:** Mr. Speaker, when I was first appointed as Minister of Energy, I phoned an individual by the name of Brent Friedenberg, who publishes the Natural Gas Daily Outlook. I said: Brent, I assume that I'll be asked questions about what will happen to the price of oil and what will happen to the price of gas. He said: Minister, natural gas, oil prices will fluctuate.

**Dr. Pannu:** Mr. Speaker, to the same minister: given that industry analysts are predicting lower long-term prices for oil, has the minister estimated how Alberta's revenues will be affected if this happens?

**Mr. Smith:** Mr. Speaker, one of the great things about three-year business plans and budget documents is that there is an unparalleled level of transparency in those operations, and that unparalleled level of transparency will be reached yet again in this budget coming April 8.

**Dr. Pannu:** My final question to the same minister, Mr. Speaker: given the minister's penchant for talking about the invisible hand and the market-think that he is prone to, why doesn't he understand that if supply is increased, the price will go down? Why doesn't he tell Albertans that prices are going to go down?

**Mr. Smith:** Well, Mr. Speaker, I think I'll give him the invisible answer on this Thursday afternoon.

### Ghost-Waiparous Recreation Area

**Mrs. Tarchuk:** Mr. Speaker, the Ghost-Waiparous area northwest of Calgary has seen increased recreational pressures over the years. Time and time again we've heard serious concerns over the impact on the environment from the use of off-highway vehicles in sensitive areas as well as from parties and random camping. At the same time, Albertans need reasonable access to this area, where they can enjoy

our scenic outdoors and recreate. My question is for the Minister of Sustainable Resource Development. Can the minister tell us today what direction his department is taking to develop a meaningful and effective management plan?

**The Speaker:** The hon. minister.

**Mr. Cardinal:** Thank you very much, Mr. Speaker. It's a very important question, especially for areas around Calgary. This area is covering about 1,500 square kilometres, and it's less than an hour's drive actually from downtown Calgary, so there's a lot of pressure on that particular area. To address the concerns, my department is consulting with an access management group. We will go through this process and listen to Albertans and then develop a plan. My department commissioned a random telephone survey recently in the area. Eighty-five percent of the people contacted said that a system of designated trails and also establishment of recreational users should be put in place, and over 70 percent felt that if nothing is done, there'll be a real danger to the environment.

**Mrs. Tarchuk:** To the same minister: in that local constituents feel very strongly about the need for change and are pleased about the consultation effort, can the minister assure Albertans that the government will take action on a deliverable plan rather than create a plan that will just sit on a shelf?

**The Speaker:** The hon. minister.

**Mr. Cardinal:** Yes. Definitely, Mr. Speaker, you can be assured that the plan will not sit on the shelf and gather dust. At this point we are still of course consulting with Albertans, and you can be assured that once the consultation is done and the plan is in place, we will put in a process that will ensure that as the area is monitored and recommendations are made to make changes and adjustments as we move forward, there is a process in place to do that.

A good example of that is that we just recently announced the Bighorn backcountry access management plan, which is for about 5,000 square kilometres.

**Dr. Taylor:** How many?

**Mr. Cardinal:** Five thousand square kilometres. There's an active monitoring, action-oriented plan in place now of various users including local government, including in fact the MLA. Once you develop a plan, the job is not done. It's just the start of the job. The development as of now will be the most challenging and interesting, and you have to monitor and make sure that you have performance measures actually in place, that the job is done instead of gathering dust.

**The Speaker:** The hon. member.

**Mrs. Tarchuk:** Thank you, Mr. Speaker. Another concern I hear about repeatedly is education, and I would like to hear from the same minister how he hopes to address the need for educating users in this vast area.

**The Speaker:** The hon. minister.

**Mr. Cardinal:** Yes, Mr. Speaker. That is very challenging. Both the Ghost-Waiparous and also the Bighorn backcountry, of course, are the most challenging to provide a proper education program for because it is such a multi-use area. You have skidoosers, you have

skiers, you have people that want to enjoy the environment, you have people that want to go fishing, people that want to go camping, and there are quaders and there are trikers. You know, it's a multi-use area, so it is not easy to put in processes that will educate the people as to how the area should be used and developed. But we do have a group of people that are interested. The users actually are the ones that will be handing out brochures and contacting people as to what the area would be used for in the future.

**The Speaker:** The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Calgary-Montrose.

### Education Funding

**Dr. Massey:** Thank you, Mr. Speaker. Underfunding of education in the province has forced Calgary public into deficit financing and threatens the same at Edmonton public. Over 20 other boards in zones 2 and 3 say that they, too, are in a most difficult financial position in part due to the government-ordered arbitrated teachers' settlement. My questions are to the Minister of Learning. If, as the minister claims, boards have experienced 40 percent plus increases, why are these boards in financial straits?

**Dr. Oberg:** Well, Mr. Speaker, first of all, to some of the preamble of his question. The Calgary public board, which he alluded to, the CBE, ran a deficit approximately five or six years ago that they are still paying off at this time. They're making an orderly payment of their deficit, and it is something that they are actually ahead of the game on. They're ahead of their payment scheme.

Mr. Speaker, when it comes to the amount of dollars, the majority of school boards, the average of school boards is around 48 percent since 1995. There are some school boards that have received up to 50 or 60 percent because of increased enrolment, Mr. Speaker. There is a tremendous amount of dollars that has gone into the education system. In saying that, though, there have been challenges. For example, our teachers' salaries are about 8 to 10 percent higher than anyplace else in the country. Our teachers obviously do the best job in the country, because our students do the best job.

Mr. Speaker, this is something that we will manage; we'll manage it together with the school boards. The school boards that he has talked about that are having a tough time: yeah, we all have tough times, and indeed we will find a way to get out of it. I'm confident that the school boards will live up to their reputation as having the best school system in Canada; in fact, the world.

2:30

**Dr. Massey:** Again to the same minister: how can the minister claim the boards are properly funded when they need over \$400 million just in catch-up funds?

**Dr. Oberg:** Well, Mr. Speaker, first of all, I don't agree with that number. The Alberta School Boards Association in saying \$411 million basically is saying that the 3 percent and the 3 and a half percent were nonexistent and did not come to them. Those were dollars that were there. Those were dollars that the School Boards have received. We recognize that in many ways the School Boards Association's mandate is to lobby for more money, and I accept that. But we do have fiscal realities, and you will see those fiscal realities on April 8 when the budget is tabled.

**The Speaker:** The hon. member.

**Dr. Massey:** Thank you. Again to the same minister, Mr. Speaker:

will the minister table an account for school boards showing exactly how per pupil grants are supposed to cover school costs?

**Dr. Oberg:** Well, Mr. Speaker, I don't believe that the hon. member would want us to micromanage school boards to that degree. It would take a considerable amount of time and expense to be able to do that. Quite frankly, I would much sooner take those dollars, give them to the school boards, allow them to educate kids, allow them to put those dollars in the classroom, which is exactly where those dollars should go. I feel it is extremely important to do that. I think that the majority of school boards if not all the school boards do an excellent job in dishing out their money to their schools.

Mr. Speaker, it is something that we will not be doing: we will not be getting in and telling the school boards specifically how to fund, how to use their dollars. As a matter of fact, the Alberta School Boards Association has asked us for more flexibility, demanded more flexibility, and in the new funding formula that is coming out, we have agreed with that, and we will be giving them more flexibility. There are a lot of new things coming out in the funding formula. As of September 1 of this year we will see all of that, and I think it will be extremely positive.

With regard to the actual funding that is going to the school districts, the individual school boards, we are continuously – continuously – monitoring the amount of dollars that they are getting to ensure that it is spent in the best possible fashion, to ensure that it goes to the classroom, to ensure that the education of the students of this province continues to be the absolute best in Canada.

Thank you very much, Mr. Speaker. Thank you to the hon. member for asking that question, and we'll see him after the break.

#### head: **Members' Statements**

**The Speaker:** The hon. Member for St. Albert.

#### **Ted Hole**

**Mrs. O'Neill:** Thank you, Mr. Speaker. As the Member of this Legislative Assembly representing the constituency of St. Albert, I rise today to pay tribute to a noble and honourable man, Mr. Edward G. Hole, who passed away last evening. It would not be an exaggeration to say that almost everyone in St. Albert either knew Ted Hole or was aware of this fine gentleman's presence in our community.

For those of us who had the privilege of knowing Ted, we will remember him as a wise and knowledgeable agriculturalist, an accomplished musician and supporter of the arts, an astute business owner, interested sports enthusiast, and most obvious of all, a strong family man. But even if you only knew of Ted or saw him at a distance working in the original red barn or the current greenhouses and gardens, you sensed the authentic warmth of his caring spirit, the sparkle of his delightful wit, and the sincerity of his genuine interest in people and life, in the earth, and in the community.

I know I speak for all St. Albertans in extending our sincere condolences to Her Honour and all members of Ted's family. We will miss Ted's warm smile, his kindly concern, and his regal-like accompaniment of Her Honour. Our neighbour and friend, may you rest in peace, Ted.

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

#### **Canadian Unity**

**Ms Carlson:** Thank you, Mr. Speaker. In its early days Canada was a land full of promise, the promise of freedom, democracy, and

wealth. It was this promise that led hundreds of thousands of people from all over the globe to settle in our cities, our towns, and our countryside. Since that time Canadians have been turning this promise into reality. We boast one of the highest living standards in the world, one of the highest life expectancies in the world, one of the lowest rates of poverty in the world, two of the best health and education systems in the world, and the fastest growing economy in the G-7. Together Canadians have turned this land of promise into one of the most vibrant and successful countries the world has ever seen. This country's achievements are beyond anything that could have been imagined over a hundred years ago. Even before Alberta was a province, Albertans have been leading the way in turning this land of promise into the country it is today. Our pioneering spirit has opened up this land and exposed the great wealth and treasures that it holds.

Albertans have never shied away from doing their part as Canadians. When our country needed us at Vimy or Dieppe, in Korea or Afghanistan, we were there. It is because of all this that I along with so many Albertans am perplexed by this government's disturbing turn towards increasing talk of separatism. From Kyoto to the gun registry to health care this government seems intent on using policy differences to promote a separatist agenda. In fact, many Albertans accuse this government of using separatist talk to avoid the real issues of energy, education, and health care. Without separatism the government would have to tell Albertans the truth about why the government spends so much, yet Albertans are faced with crumbling schools, roads, and hospitals.

Talk of separatism is dangerous. It sends a poor signal to the rest of Canada and only helps to fan the flames of separation in Alberta. Our commitment to Canada should be unwavering. Canada is a family, with each province a member of that family. This government talks about supporting our friends. I wish this government would show a little more support for our family.

**The Speaker:** The hon. Member for Calgary-Currie.

#### **Small Business Entrepreneurs**

**Mr. Lord:** Thank you, Mr. Speaker. We hear a lot about the unemployed or people with low income, for whom life, in fact, is a very difficult challenge indeed. About the only thing worse than being unemployed and flat broke, however, is actually being employed at the job I am going to describe. Imagine having a job in which you work 60 to 80 hours a week under great stress with heavy responsibilities to many people, forced to put up with abusive and condescending bosses, living in fear of your landlord, your creditors, government people but unable to quit this job, at least not without declaring personal bankruptcy first or suffering major financial loss. For all this you are being paid nothing. Despite the zero income, however, you may still be required to pay a shocking amount of taxes to your government, far more than most will ever pay.

It can even get worse. Even if you are virtually destitute, no money even for groceries, you do not qualify for any government social safety nets at all. If you do become unemployed from this job, you won't qualify for unemployment insurance either, even though you likely paid way more into it than most.

I'm talking about the situation that thousands upon thousands of small business entrepreneurs find themselves in when their big dream of success turns into a nightmare instead. What are the numbers? Well, I can tell you that approximately 4,000 businesses in Calgary alone discontinue their licences each and every single year, and they didn't do that because they were successful. Only

about one in five actually ever succeed at this job, Mr. Speaker, and thank God they do, because the wealth of this entire country depends on that one out of five that succeeded.

I wonder: if we had a project that set out to double the success rate of small businesses from one out of five to two out of five, wouldn't that theoretically double the rate of wealth creation in this country and therefore our national wealth eventually? With double the income think what we could do about poverty for everyone else in this country, Mr. Speaker.

Thank you.

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

#### 2:40 Automobile Insurance Premiums

**Mr. MacDonald:** Thank you, Mr. Speaker. Automobile insurance premiums in this province are becoming increasingly unaffordable. Skyrocketing premium rates, increasing claim costs, and insurance companies handpicking clients create hardship for Albertans. In recent months some insurance companies stopped taking new vehicle insurance clients due to high claim costs. Meanwhile, car insurance rates are rising 10 to 30 percent a year. This is utterly unacceptable.

The government of Alberta has an obligation to help alleviate the burden of outrageous car insurance premiums on its citizens not only for the sake of those citizens but also for the sake of the public purse. If Albertans can't obtain insurance due to skyrocketing prices or are simply being turned down for trivial reasons, then some people may unfortunately choose to drive without insurance. Most folks likely won't do this, but those who can no longer afford to drive to work may have to take a lower paying job closer to home, or they may not be able to work at all. The government of this province cannot stand idly by and do nothing about an insurance industry that's been forced to put its product beyond the reach of Alberta drivers.

I have suggested to the Minister of Government Services and I continue to encourage this government to immediately form an all-party committee to study Alberta's automobile insurance industry and endeavour to find a solution. Alberta is not alone in its struggle to help consumers get fair and equitable deals with insurance companies while still allowing those businesses to make a profit, but I'm sure this province can lead the country in finding a mutually beneficial arrangement.

Let's stop spinning our wheels and start making tracks toward a solution. It's the Alberta and the Liberal way. Thank you.

head: **Presenting Reports by**  
Standing and Special Committees

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

**Mr. MacDonald:** Yes. Thank you very much, Mr. Speaker. As chair of the Standing Committee on Public Accounts I hereby submit five copies of the report of the Standing Committee on Public Accounts for the Second Session of the 25th Legislature covering the committee's activities in 2002.

head: **Notices of Motions**

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

**Mr. Zwozdesky:** Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday when next we meet, whatever that Monday is, I will move that written questions appearing on the Order Paper do stand and retain their places.

I'm also giving notice that on that same Monday I will move that motions for returns appearing on the Order Paper do also stand and retain their places.

head: **Tabling Returns and Reports**

**The Speaker:** The hon. Minister of Children's Services.

**Ms Evans:** Thank you, Mr. Speaker. I rise today at the request of Glen Allan school council executive to table a letter that they have forwarded to me relative to education funding and the education that children are receiving.

**The Speaker:** The hon. Minister of Economic Development.

**Mr. Norris:** Thank you very much, Mr. Speaker. I rise today to table a report from the Bank of Montreal entitled In Search of Canada's Small Business Hotbeds which was released this month. The study points out that among smaller populations Lloydminster and Grande Prairie have two of the fastest growing small business sectors in all of Canada. As well, Calgary and Edmonton were ranked number 1 and number 2 in both the number of small businesses per capita and the growth of small business ventures. This report obviously reflects the Alberta spirit of innovation and that this government has done the right thing to bring in jobs and create a positive environment for businesses to establish themselves, continue working, and grow.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Minister of Human Resources and Employment.

**Mr. Dunford:** Thank you, Mr. Speaker. I'm pleased to table with the Assembly the 2002 annual report of the Alberta Association of Architects.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Minister of Justice and Attorney General.

**Mr. Hancock:** Thank you, Mr. Speaker. I'm pleased to table on behalf of three teachers that I've been meeting with over the course of the last year on a regular basis to discuss issues with respect to education a document which shows their concerns relative to class sizes and staffing issues for the Earl Buxton school in my constituency.

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

**Ms Carlson:** Thank you, Mr. Speaker, I have the appropriate number of copies of a letter from Chad Willms from Lethbridge, who is very concerned about the development in Evan-Thomas within the Kananaskis valley. He would like it stopped.

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

**Mr. MacDonald:** Thank you very much, Mr. Speaker. I have two tablings today. The first one is a brief letter addressed to the Right Honourable Premier. It is from Michael Kurjata in Edmonton-Gold Bar, and it concerns the lack of funding for public education.

The second letter I have is also addressed to the hon. Premier, and it is from Dean Rosychuk, a professional engineer from 102A Avenue in the constituency of Edmonton-Gold Bar. This individual is a parent of a grade 8 student in the French immersion program at

Kenilworth school and is very concerned about the lack of proper funding for public schools.

Thank you.

**The Speaker:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Thanks, Mr. Speaker. The mail keeps flowing in on education issues. My first tabling today is a copy of a letter signed by Trina Chrzanowski and 22 others urging me to stand up for the Edmonton public school board and demand adequate funding.

The second is a copy of a letter to the Premier, a very interesting letter from a recent immigrant to Edmonton from the United States to work at the university. She's very concerned about the decline of education in Edmonton.

The third is from Donna Provost, urging action on education funding.

The fourth is from Ryan Dunkley, who says "I am becoming more and more saddened by the state of education in our province."

The final one is to both the Premier and the Minister of Learning from Judith Nyrose, expressing concern with the shortfall in funding from the Alberta government.

Thank you.

**The Speaker:** The hon. Member for Edmonton-Strathcona.

**Dr. Pannu:** Thank you, Mr. Speaker. I rise to table five copies of a letter from Dr. Donald Smith, a professor of history at the University of Calgary. The letter is addressed to the Minister of Community Development, who is in charge of parks in addition to other responsibilities. Professor Smith is asking the minister what's holding him back from consultation with the Alberta Historical Resources Foundation, which is the naming authority in the province for parks. Furthermore, he wonders why the minister doesn't adopt the Parks Canada protocol, which "in order to avoid any suggestion of political favoritism, does not allow the naming of federal parks after individuals."

Thank you, Mr. Speaker.

**The Speaker:** The hon. Member for Edmonton-Highlands.

**Mr. Mason:** Thanks very much, Mr. Speaker. I'm tabling a letter from Mr. William H. Percy of Stettler dated March 10, 2003, addressed to his MLA regarding jumps in natural gas prices. He writes that it is time for the Conservative government to face up to the complaints from consumers and small businesses and deliver on their election promises with rebates.

Thanks.

head: **Projected Government Business**

**Ms Carlson:** Mr. Speaker, we would ask that the government share with us the business for the week of April 7, when we return to this Assembly.

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

**Mr. Zwodzesky:** Thank you, Mr. Speaker. The projected government business for the week when we next meet, whenever that week might be, would be as follows. On Monday the afternoon would be private members' business, the usual Written Questions and Motions for Returns, followed by Public Bills and Orders other than Government Bills and Orders. The evening would continue with Motions Other than Government Motions for the first part of the evening and

then continue with Government Bills and Orders, perhaps a government motion on Standing Order changes, second reading of bills 23 and 24, Committee of the Whole for Bill 22, and third reading of Bill 22 should that be necessary.

The Tuesday afternoon would be consumed with Government Bills and Orders and Government Motions. Of course, there is a possibility that if that particular Tuesday happens to be April 8, then we would have a budget presentation around 3:30 p.m. Following on with the Tuesday evening, Government Bills and Orders at 8, Government Motions, the Leader of the Official Opposition in response to the budget, perhaps some motion on electoral boundaries, and second reading of bills 33, 34, and 35.

On Wednesday, April 9, the afternoon will be Government Bills and Orders with Committee of Supply, we expect, and the Legislative Assembly estimates following up with opposition designates. I'm not sure what that will be yet, but I suspect Revenue will be one of them. Wednesday evening would be Government Bills and Orders, Committee of Supply. That would be Innovation and Science, I assume, should that happen to be day 2 of 24. We'll have to wait and see.

Thursday afternoon would be Government Bills and Orders. Again, we'll have to wait and confirm, but I expect that would be Committee of Supply, and that would be day 3 of 24. I think the opposition will be designating an appropriate department for that time. It likely may be Gaming.

So that's as much information as I have at the moment, Mr. Speaker.

2:50

**The Speaker:** The hon. Member for Edmonton-Ellerslie on a point of order.

**Point of Order  
Clarification**

**Ms Carlson:** Yes, Mr. Speaker. I rise under Standing Order 23(h) and perhaps (i). I don't have the Blues in front of me, but it seems to me that in an exchange between the Premier and the Member for Edmonton-Centre the Premier either made an allegation or perhaps imputed a false motive. I would like to put it on the record that my husband and his company are duly registered as lobbyists in those jurisdictions requiring it and will be very pleased to register here once a registry has been established in this province, as it should be.

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

**Mr. Zwodzesky:** Thank you. Mr. Speaker, I don't have the Blues at my disposal either, but I was privy to the answer that the Premier gave, and I don't think any allegation was imputed one way or the other against any member of this House nor, for that matter, against any consultants or lobbyists or whatever they may wish to be called.

I happen to know all three of the individuals that were referenced by the Premier, and I think that if you'll reflect back – and I'm sure *Hansard* will bear this out – the Premier was highly complimentary to those three individuals. They have done outstanding work for a number of organizations I would think. In particular, the hon. Member for Edmonton-Ellerslie's husband is an exceptional consultant and a very good friend to I would think almost the whole Assembly here. He does outstanding work, as does a former Member for Edmonton-Manning and the former Member for Calgary-Shaw. These are outstanding individuals who work hard on behalf of Albertans.

I think that we frequently have positive things said during Recognitions. We have positive things said during Members'

Statements, and occasionally it's okay to say positive things during question period as well. So perhaps this might be viewed more as a point of clarification. I certainly do not personally think that there's any cause for a point of order, but I'll leave it up to your wisdom to decide that in your own good way, Mr. Speaker.

Thank you.

**The Speaker:** Well, it sounds like a love-in to me, but what the Blues actually say – this affords an opportunity for a lesson; how's that? The hon. Member for Edmonton-Centre says in her lines: "will the Premier agree that at a . . ." Just remember those words: "will the Premier agree that at". Then the Premier coming back at one point in his response:

Mr. Speaker, I would point out: is the hon. Member for Edmonton-Ellerslie suggesting, for instance, that her husband lose his livelihood because he is a consultant along with a former member of this Legislature, this government caucus, Jon Havelock, and a former member of I believe the Liberal caucus, Peter Sekulic. With all due respect he does a marvelous job. We hire him, the private sector hires him, nonprofit organizations hire him, and he does a wonderful job in representing whatever he has to represent.

Well, sounds to me like quite an endorsement. But the interesting thing about this – there is no point of order, by the way, in the one raised, but there could have been two points of order raised out of this. So, hence, the lesson.

Now, the hon. Member for Edmonton-Centre said: "Will the Premier agree that at a . . ." Now, it's quite clear that the rules prohibit the seeking of opinions, and they are certainly not permissible under the rules. *House of Commons Procedure and Practice* at page 427 and *Beauchesne's* 409(3) would prohibit the seeking of an opinion in a question. The question might have been ruled out of order.

Now, the hon. Member for Edmonton-Ellerslie might also have risen on a point of order basically saying that it is totally unacceptable to name a person in this Assembly who is not present and not able to defend themselves, but then that would have ruled out virtually all the tablings today, too, because everybody who made a tabling today mentioned somebody's name.

**Dr. Taft:** With permission. For information.

**The Speaker:** No, no, no. There's no such thing as for information.

The preambles and the personal references are very clear in the *House of Commons Procedure and Practice* at page 524 and *Beauchesne's* paragraph 493(4).

So while there was no point of order on the point of order raised, there could very easily have been two points of order raised, and all I'd say is: just give some careful consideration to this swinging sword that's sharp on both sides. It cuts both ways.

head: **Orders of the Day**

head: **Government Motions**

### Spring Recess

10. Mr. Zwozdesky moved on behalf of Mr. Hancock:  
Be it resolved that when the Assembly adjourns on Thursday, March 27, 2003, at the regular hour of 5:30 p.m., it shall stand adjourned until Monday, April 7, 2003, at 1:30 p.m.

**The Speaker:** Hon. members, as per Standing Order 18(2) and 18(3) such a motion is not debatable.

[Government Motion 10 carried]

head: **Government Bills and Orders**

head: Second Reading

### Bill 22

#### Child and Family Services Authorities Amendment Act, 2003

[Adjourned debate March 10: Dr. Massey]

**The Speaker:** The hon. Minister of Children's Services to close the debate.

**Ms Evans:** Thank you, Mr. Speaker. Just taking leave to speak to second reading and to close debate on Bill 22. This amendment is a very straightforward amendment. It removes the stipulation of the maximum number of members that may sit on a child and family services authority board. With the number of regions going from 18 to 10, this will allow us to ensure adequate community representation on the boards. I feel very confident that when this bill passes, we will be able to ensure the governance and the consistency of representation through the differing needs of each region.

Therefore, I am pleased to move second reading of Bill 22.

[Motion carried; Bill 22 read a second time]

### Bill 18

#### Energy Statutes Amendment Act, 2003

**The Speaker:** The hon. Member for Calgary-Bow.

**Ms DeLong:** Thank you very much, Mr. Speaker. Today I'm pleased to rise and move second reading of the Energy Statutes Amendment Act, 2003.

Alberta is known and respected worldwide for its land tenure and royalty collection systems. It is a fact that other jurisdictions from around the world regularly come to Alberta to learn about our tenure and royalty systems. These systems ensure industry competitiveness and provide Albertans with a fair return for the development of their resources. Revenue from the oil and gas industry is critical to this province's economic prosperity. For the 2001-2002 fiscal year the Department of Energy collected \$6.227 billion in bonuses, royalties, and rent on behalf of the people of Alberta.

[The Deputy Speaker in the chair]

Mr. Speaker, these amendments will improve the management and administration of the Crown's mineral rights and will optimize benefits to Albertans. One key element in Alberta's success in this area is certainty. Investors want and need to know what the rules are before they make their investments. Those rules are generally laid out clearly in legislation and regulations; however, there are always areas where those rules have not kept up to date with changes in technology or markets. Some are also found in the common law, which investors may not always find or which may not be as clear as legislation. This bill clarifies some important points that are existing policy or are existing common law in the view of the government and are how this province currently practises. This will provide certainty and reduce any uncertainty as to who is entitled to what or under what regulations they pay their royalties on production.

The bill makes it clear which Crown mineral rights leaseholder has the rights to natural gas in areas with coal or with oil sands. Natural gas found separated from the bitumen in the oil sands at original conditions is part of the natural gas lease, while any additional gas that evolves from the bitumen as it is produced is part of the oil sands lease. In other words, natural gas produced out of sandstone, shale, coal, or other rock is part of the natural gas lease.

3:00

These are the policies of the government today and the practices of government and industry. They will now be there in black and white for any investor to see when they decide on an oil sands, natural gas, or coal project. You may note that the holder of a coal lease today can produce natural gas for safety reasons to remove it from a mining development. That safety precaution is continued.

One of the cornerstones of Alberta's land tenure system is that industry has access to a fair and level playing field. It becomes unfair if someone trespasses on unsold Crown minerals by drilling a well into them deliberately or in error. Doing that can result in that person having more information than other potential bidders or even producing minerals that they have no right to. Current provisions to deal with trespass have not always been an effective deterrent. A significant and effective deterrent is required because these situations are difficult to detect and can result in revenue loss to the Crown both as a direct result of the wrongful recovery of Crown minerals and also as a result of lower bonuses paid to the Crown for mineral agreements. You can imagine the effect of someone's bidding strategy if as a result of trespassing they already know that it's a dry hole. The proposed amendments to the Mines and Minerals Act will improve the Crown's ability to respond when someone explores for or produces Crown minerals without authority.

Mr. Speaker, one of the main objectives is to ensure that our good corporate citizens can continue to do business in Alberta for the economic benefit of all Albertans. In keeping with our desire to provide certainty to investors, these amendments will do just that. As such, another key amendment is an enhancement to the provisions around collection of royalties. This bill will codify joint liability of Crown leases and provide procedural flexibility to remove the administration of collections. It will also allow the minister to redirect funds owed to a person and apply that money to any outstanding debts that person might have to another branch of the government, expand and clarify the application of provisions related to royalty and tax recalculation by the Crown, and also ensure that a company cannot transfer their interests to a lease to absolve themselves of a debt. Any debt will flow through to the transferee.

Another significant change to these acts deals with the Limitations Act. The recent Limitations Act has created some doubt as to how time limits imposed by that act for initiating legal actions in court impact existing time limitations provided under the Mines and Minerals Act and the Freehold Mineral Rights Tax Act. This bill excludes or specifies time limitations for initiating legal actions under the acts from the limitation periods specified in the Limitations Act. The time periods under these acts to complete calculations and assessments of royalty, mineral tax, and related interest or penalties are well understood and accepted by the industry and the Crown and were designed with industry business practices in mind as well as this government's business needs of ensuring complete and accurate payment of royalties, taxes, and penalties. The existing periods, generally four years, are not exceptional, and they have generally worked well through the years. The bill will exempt these practices from the Limitations Act.

Issues of trespass can take years to detect. The bill specifies specific limitations once a trespass has been documented. Issues of mineral ownership, primarily between the federal government and Alberta, can also take years to resolve. The bill exempts these cases from the Limitations Act.

Mr. Speaker, gas storage helps smooth peaks and valleys in production activity and gas prices while enhancing security of supply. The bill will reduce administrative barriers and barriers of uncertainty to entering into storage arrangements. This legislation

allows the use of depleted oil and gas reservoirs for storage but speaks generally in terms of recovery of minerals. This bill amends the act to make it clearer for people interested in developing storage that there is legislation for use of these reservoirs for storage purposes. The bill also clarifies that use of a reservoir for storage continues the leases granting the rights to the reservoir.

Mr. Speaker, in 1949 all coal mines were required to sell coal to Alberta residents for their domestic needs at market prices at their plant gate. At that time, coal was a common domestic fuel. This in theory requires all coal mines to have the equipment and processes to be able to do this today even if no one is asking for it. This bill continues the requirement but provides the ministerial discretion as to which coal mines need to be able to sell coal for domestic needs.

Finally, the Fees and Charges Review Committee has asked the government to comply with an Ontario court ruling to specify where money collected as a penalty is properly identified. In fact, Mr. Speaker, these amendments will do just that.

Thank you very much, Mr. Speaker.

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

**Mr. MacDonald:** Thank you, Mr. Speaker. It's with interest that I rise this afternoon to participate in the debate on Bill 18, the Energy Statutes Amendment Act, 2003. Certainly, I appreciate the words from the hon. Member for Calgary-Bow in regard to this amendment act.

We're talking about the Mines and Minerals Act and the Freehold Mineral Rights Tax Act, and certainly there is merit in providing clarity in the rules for all investors in this province. When we consider the influence and the amount of money that is being invested by the energy industry from around the world in this province, it's certainly a strong vote of confidence not only now but well into the future for the energy industry in this province. We have to be very careful. I believe I was looking at Economic Development, their department and their annual report from last year, and close to half of the activity in this province was generated from the oil industry and the gas industry, and that's reason enough to provide clarity in the rules for investors.

Whenever you compare this province and this country to other jurisdictions around the world and whenever there are investors that say: oh, well, if we don't get our way, we're going to move on . . . We have a very stable, secure investment climate in this province. You look at the situation around the globe. You look at the current situation in the Middle East, particularly in Iraq and in Kuwait, Saudi Arabia, large oil-producing nations. Then you compare them to us. Certainly we have modest reserves when you count up their reserves, but people want to do business here, and it's our political stability that provides that.

If you look at Venezuela and those arguments made last year, late last fall: oh my gosh, we're going to take our money and invest it in Venezuela. Well, there have been a series of political upheavals in that country that certainly make Alberta even more attractive now than it was in October.

Mr. Speaker, you look at some of the enormous potential that's left in the former republics of the Soviet Union as far as oil and gas development go, but there's considerable economic risk in putting your money there for development because you don't know the politics of the region. It was not long ago that there was a gas field developed in Russia, and no sooner was the last well X-rayed in the gathering system than a local group of bandits took it over. So we have to heed the words of the hon. member when the Member for Calgary-Bow discusses the fact that we have a regulatory regime that is admired and I believe copied from other parts of the world.

3:10

When we look at some of the ways we can improve that system, we have to look at royalty collection. We have to ensure that recommendations from previous Auditor General's reports are being looked at and are being considered in this bill, and I don't know, Mr. Speaker, if they are or not. You know, whenever we talk about providing legislative clarity for investors to ensure that the rules are clear and effective, if someone drilling a well, taxpayers, and those who have mineral rights have their rights protected, that's fine. But when you consider the investors, you also have to consider those who own the resources, and that's the taxpayers and citizens of this province. As I understand it – and I'm a member of the opposition, and I'm told nothing and taken nowhere – there is a new process in place, and there's a lot of electronic filing. I think it's all electronic filing now as far as gas and oil production and royalty calculation.

Getting back to the Auditor General, the Auditor General has been persistent in pointing out that there have been some problems in the past, and I'm not convinced that those problems are being addressed in this bill. Now, perhaps they are and during the course of the debate I will change my mind, but I'm not convinced that this is going far enough whenever we look at some of the past recommendations from the Auditor General's report.

How much money are we losing as owners of the resource? I have no idea. I know they're not significant, but they're certainly 1 or 2 percent losses noted in certain production records of oil and gas, and I have enough concern about that, Mr. Speaker, that I have put forward a motion to deal precisely with that.

I would like to see – and perhaps it would be at the appropriate time a suitable amendment for Bill 18 – an individual meter placed on each oil or gas well in this province, and the meters would vary in expense of course, Mr. Speaker, because of the location and the service that is provided. It would have a lot to do with the pressure of the well and the size of the gathering system which is being fed by that well, the flow rate. All these factors would affect the cost of the meter, but certainly to put a meter at each wellhead I don't think is out of line. We have a gas meter for every individual user of natural gas in this province, and we seem to be able to live with that. So that is what I would propose to do, and this Bill 18 may give a person a chance to let all Assembly members have a good look at that idea of how we can improve our system in Alberta.

When we consider the pressure that is on the government to deliver public health care and public education and all sorts of programs, we have to ensure that as the oil and the natural gas is depleted, we are getting maximum return on that depleting nonrenewable resource. Perhaps we should consider what this bill is going to do, and perhaps we should consider strengthening it. Certainly, this bill also deals with incorrect tax calculations and defines the limitation period for actions under the Freehold Mineral Rights Tax Act, but at the same time here I see that section 3(3) is being repealed and the following is to be substituted. Perhaps instead of "may" the minister "shall" recalculate the tax, interest, and penalties, as the case may be, and send a new tax statement to the owner. I don't think that this should be just left up to the minister. I think that the minister on behalf of all the citizens of this province should be obligated in this statute to do exactly that, Mr. Speaker.

Now, certainly, I would also like to know why we need this bill. How much money is at stake now? Is it a few dollars, or is it millions? Like, what's going on here? Is it a major problem? Are we having many incorrect tax calculations? It would be wonderful to have before this Assembly just exactly how much money is at stake here. I think that in light of some of the budget restraints and the cutting back and the – what is this called? – stop-and-go spending by this government or roller-coaster budgeting, up and

down, yo-yo budgeting – there are any number of terms for this – if there are significant amounts of money at stake here, I think the public would be very, very interested in knowing that. For that reason, I would be very interested in hearing, perhaps if not from the hon. Member for Calgary-Bow then from another hon. member of this Assembly, exactly what sort of sum we're dealing with here.

Further, as I go through this bill, I have another question, and hopefully it'll be answered. Mr. Speaker, it deals with the substituted section 38, calculations and recalculations. In going through this act, I would like to know at this time who will be authorized by the regulations to make a request in writing for calculation, recalculation, or additional calculation. If that could be answered in due time, I would be very grateful.

Certainly, Mr. Speaker, those are some of the initial questions I have in going through Bill 18 at this time. I can't dispute what the hon. Member for Calgary-Bow had to say earlier about having a system that all parties are comfortable with. When we consider all parties, we have to take special interest in protecting the financial interest of the owners of the resource, because this is a resource that is being depleted. The golden goose is aging. The western Canadian sedimentary basin is now a mature area for oil and gas production, and we have to ensure that we get as much life out of that golden goose as possible and as much return to the citizens of this province as possible. After the oil and gas are gone – and I worked all my adult life in the oil industry all around the world. The oil and gas industry is very mobile, and it will go where the resource is. So whenever this basin matures, good-bye to Alberta and hello to the next jurisdiction. We have to make sure that Bill 18 is suitable at this time for the interests of all citizens.

3:20

Now, you know, the changes proposed in this bill are, as I understand it, based on problems that have arisen around the normal course of business as conducted in the field. I would also question the hon. Member for Calgary-Bow regarding a court case. I believe it was with – and I could be wrong on this and can certainly stand corrected – Gulf oil and gas around Fort McMurray. The legal question was: who owns the gas underneath the tar sands or the bitumen mines? There were some legal questions around that. Does this bill satisfy those legal requirements? Also, the venting off or the bleeding off or the collection of gas from coal fields and the safety issues that surround that are of interest to this member.

Certainly, I was very interested in the statements regarding coal and the obligations of coal companies in I guess you could call it the coal gate. Albertans could go and get coal there. With this energy deregulation policy that this government is persistent in pursuing, coal may become again, because of cost, a major home heating source for citizens. I think it would be a step in the wrong direction, but I also think energy deregulation is a step in the wrong direction.

Now, in regard to the venting for safety issues, how exactly is this going to affect the development of the coal bed methane industry in this province? I know the Minister of Energy is working. He's as busy as a beaver, Mr. Speaker, getting studies done and economic reports conducted on the potential for coal bed methane in this province. It's going to be interesting to see how this develops.

Certainly, we could compare the development of the coal bed methane industry in this province, which is in its infancy, to energy deregulation in America. Coal bed methane has been under production in the Powder River basin in America, south of us, mostly in the state of Wyoming, but that basin goes a little bit farther north than that. There have been significant problems with that, but the results, as the hon. Minister of Energy told me in estimates last year – I think that 8 percent was the quote. Eight percent of the

lower 48's gas production is coming from coal bed methane, but there's the issue surrounding water and surrounding leases. Apparently, you need quite a bit of public land in order to get a coal bed methane system going. You need a lot of wells. You have to have more wells than you do for a gas field. But they're dealing with this in America. They've made some mistakes, and I certainly hope we're going to not make the same mistakes. The Americans made mistakes with energy deregulation, and we followed through blindly and made the same mistakes. I'm hoping that we're not going to do that with coal bed methane.

I see, with the right conditions, a very bright future for coal bed methane. If the hon. Member for Calgary-Bow could explain to me the implications for the development of the coal bed methane industry in this province, I would be very grateful. Certainly, you know, methane is a dedicated source of fuel for electricity generation. Perhaps the Minister of Energy has already got a policy on this, and I would be surprised and delighted to see that policy, because it would reduce, as I understand it, our greenhouse gas emissions, Mr. Speaker. [interjection] Well, we could have this as part of our provincial strategy on Kyoto. It certainly would work into the plan, and maybe that is part of the government's plan. Perhaps this Bill 18 is a quiet part of that plan. I don't know for sure, but I guess, as I said earlier, that only time will tell.

Whenever we think of the potential for coal bed methane and when we think that there are estimated remaining established reserves of natural gas of 43 trillion cubic feet and that the National Energy Board predicts that the unconventional supplies of natural gas will be required by 2008 to meet rising demand – and that's not much beyond the next election; that day is coming very quickly – we could have almost double that amount, if not greater, in potential coal bed methane reserves. So for the hon. member to stand up and tell me that my cautions about this bill are wrong would be delightful in light of how important this energy industry is.

Thank you, Mr. Speaker.

**The Deputy Speaker:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Thank you, Mr. Speaker. I'll have a few comments on Bill 18. I appreciated the comments, the wise words of wisdom from the Member for Edmonton-Gold Bar.

**Mr. Zwozdesky:** As always.

**Dr. Taft:** As always, as the Member for Edmonton-Mill Creek says.

It's an important bill. Anything having to do with the royalties and the management of Alberta's petroleum reserves is an important bill. Anything addressing the way royalties are calculated . . . [interjections]

**The Deputy Speaker:** Hon. member, you're having some competition from your own side as well as the other side, and I wondered if in the stillness of the afternoon we could abide by the rule of only one person talking at a time.

**Dr. Taft:** They can't help themselves, Mr. Speaker. They're responding to my comments, I'm sure. Support and applause: I'm sure that's what's intended.

So to get back to my comments, I was saying that this is an important bill. The issues involved are complicated because of the stakes. The stakes are very high. The thing that's at stake here is the very future of society in Alberta, the very future of our economy, the future of our prosperity, the size of the population, the quality of the environment. All those kinds of things are at stake here. So these

kinds of bills are of enormous importance, and it's going to take us some time to sort out all the issues that are involved in this piece of legislation. A few have already come up in the brief comments that have been directed towards this bill, and I would add a few of my own.

Now, to the extent that this perhaps simultaneously streamlines and tightens the management of the royalty system and the Mines and Minerals Act in the province, to the extent that that happens, it will be a good thing. As usual, though, it's a bit hard to tell exactly where this legislation is going to end up, because so much of it is passed over to regulations, passed through the Lieutenant Governor in Council; in other words, through cabinet. I don't believe those regulations have been made public. I'm not sure they've even been established yet. So we are, as unfortunately so often happens in this Legislature, debating something about which we are only given partial knowledge, and I find that difficult and frustrating.

3:30

There has been a lot of debate around the management of the royalties of Alberta's energy resources, petroleum resources. I have had discussions with various people about the royalty regime for the oil sands plants, and I think there are some serious questions that we need to stay on top of with those royalties. Frankly, many critics would say that the current system, which allows these huge corporations to build their plants by financing them through a royalty concession and therefore at public cost, is too generous, that in fact the bottom line of that is that the public is paying for those oil sands plants. People on the other side will argue that what we're doing is putting in place the infrastructure so that down the road the royalties will flow into the provincial treasury and that if we didn't give those enormous royalty concessions, we wouldn't have those plants built. I think there's merit on both sides, but I am concerned that we have put in place a deal with oil sands royalties that needs to be very, very closely watched. I'm concerned that over the years there's room for abuse of that system.

Those kinds of principles come to bear on all of the management questions about royalties on all of Alberta's gas and oil reserves. Are we putting in place mechanisms that can ensure that the legislation and regulations are properly enforced? The hon. Member for Edmonton-Gold Bar, for example, suggested metering on every producing well, and that sounds like a reasonable request. I know that I have had people approach me, people with considerable experience and expertise in the field, expressing a lot of concern that we are not sufficiently enforcing the royalty rates in Alberta, and as a result an important volume of oil and gas is produced and slips through the cracks of the system, and the public never collects the royalty on that oil or gas. That's just a complete write-off to the public treasury and a direct subsidy to producers if that is happening, and certainly questions have been brought to my attention on this issue.

I also would like just to raise a different question here, and I'm going off some comments made by the Member for Calgary-Bow when she spoke about, as I understood it, drilling through layers of resources. Perhaps you're seeking oil at the bottom of those layers – it's the deepest layer – and you might go through gas. Then the question arises: how is that gas managed? How are royalties charged on it? How do we ensure that the public purse gets full value for that gas?

A few weeks ago I heard of a different sort of situation, but in principle it's related, and I think that given the work of the Minister of Environment on water resources, it's very timely. I was told recently of a farmer who has tremendous concern because an oil well has gone through the water aquifer and is disrupting the water flow for the farmer. In fact, it's not just disrupting it.

**Mr. Smith:** Do you have proof of that?

**Dr. Taft:** The Minister of Energy is asking me if I have proof of that, and I guess I'll have to wait till committee, but I do. I know the exact case, and I'd be interested in his uptake on the issue. Maybe we can follow that up at a later date.

This farmer's perspective or view of the situation – and the farm is in central Alberta northeast of Red Deer – is that the farmer didn't even know that the oil company had put in a water well. There were several oil wells on this piece of land. They all looked the same. It turned out after the fact that one of them is pumping water that the oil company, as I understand it, is using to increase the flow in the oil wells. So we are losing the water resource, the farmer is losing the water resource, and I throw that issue out here. I don't know if it would ever relate specifically to this amendment, but the principle is the same, where we have an oil well going down through various layers of resources to that pool of oil. What happens to all the resources that that oil well encounters on the way down? It may not just be natural gas. It could be water. It could be something else. So it would be interesting to know how we as a province manage that kind of an issue.

I've read recently of new technologies of metering, photonic metering, and that may allow us to more precisely and easily measure what flows out of Alberta's oil wells and gas wells and coal bed methane production and so on and ensure that we are collecting a fair royalty from that resource. So metering is an important issue that's going to come up: the actual rates themselves, how those will be audited, what happens to collateral resources that are encountered in this work, how royalties will be administered. Ultimately, as the Member for Edmonton-Gold Bar said, it would be fascinating to know the total value of what's at stake here. We're talking about tens of billions of dollars. It's a huge, huge issue for us. I know there are many, many other pieces of legislation that affect that industry, but this is one of those, and it is of direct relevance.

Those are some of the principles that I think we'll be pursuing as we go into committee, questions we'll be asking. Maybe the government members can anticipate some of those issues and help us with the answer.

So with those comments, Mr. Speaker, I would like to move that we adjourn debate on this bill at this time. Thank you.

[Motion to adjourn debate carried]

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Tannas in the chair]

**The Chair:** I'll call the Committee of the Whole to order. For the benefit of those in the gallery this is the informal part of the Assembly. Members are allowed to move around, so they won't necessarily be in the seat that you see if you have a diagram. This is where we are allowed to go through a bill clause by clause and to propose amendments and that kind of thing.

### Bill 22

#### Child and Family Services Authorities Amendment Act, 2003

**The Chair:** So without further ado, are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Yes. I just have a few comments here. I'd like to get on

record my concern that there is a trend developing in the government towards a series of regions in the province, co-ordinated boundaries for regional health authorities, for children's authorities, and down the road I am concerned that we may see the same thing being imposed on municipalities, on school boards, and who knows what else. So I have concerns that this bill is a step in a fundamental restructuring of the way that this province is organized and the way that we govern ourselves and may be part of a larger scheme this government has to create a handful of fiefdoms, they could be called, around the province through which all public services are administered.

3:40

If that is the trend here – there's certainly been speculation on that possibility with school boards and speculation, I think, fed by some government members at some point on that same possibility with municipal governments. So I'm not sure that that's what the citizens of Alberta want. Whether it is what they want or not, they should be openly consulted on this process, and I don't think there was much consultation at all on the rearranging of the boundaries and the board structure for the children's services authorities. So those are some concerns I have there.

I am also of course concerned about the erosion of local representation on these authorities. I know this bill is intended to help those authorities retain some local representation, but we are seeing a consolidation of power in this province and to fewer and fewer democratic structures. We're seeing more and more boards appointed by this government having more and more power, more and more money to spend, more and more information on the intimate details of people's lives, whether it's Children's Services, whether it's health, whether it's perhaps down the road a school or a municipal government. So if this is part of a pattern towards creating a handful of regions in this province, all of which would be governed by handpicked appointees from this government, I think the government should come clear and consult openly and freely and see if that's what the citizens of this province want.

Thank you, Mr. Chairman.

**Ms Evans:** Just a very brief comment, Mr. Chairman. The intent of this amendment to the Child and Family Services Authority Act is to add representation given the expanded nature of the authorities. In the consultation process for selecting board members, there has been a panel selected from other publicly elected or appointed officials, and the consultant that has been involved, the hon. member opposite will be delighted to know, has in fact been a candidate federally for the party which the hon. member serves as a part and has certainly been involved.

**Dr. Taft:** Point of order.

#### Point of Order Clarification

**The Chair:** A point of order has been called, hon. minister. So Edmonton-Riverview will explain his point of order, and then you'll have a chance to rebut. Then we'll go back to you after a decision is made.

Your citation, hon. member?

**Dr. Taft:** Just give me a moment here. Is it 23(h), (i), and (j)? Oh, we've heard them all before. I just would like to make clear to the minister two or three things. There is no connection between the federal Liberal Party and the party which I belong to. I am not now nor have I ever been a member of the federal Liberal Party. So I would appreciate her correcting the record on that.

Thank you.

**The Chair:** Hon. member, that indeed is not really a point of order. At best it could be called a point of clarification, and on that basis we'll not ask for the other side, hon. minister, if that's okay with you. You may proceed with your comments.

**Ms Evans:** Thank you for the clarification. Clearly, Mr. Chairman, I meant no insult to the hon. member, and I do retract.

#### Debate Continued

**Ms Evans:** I would just point out that this establishes no trend. We had consulted with the boards six months into the new year in 2002, endeavouring to elicit from them their attitudes about some consolidation.

One additional point. The boards when struck originally were recognized as having certain constraints to being efficiently structured because of the sparsity that related to some of those boards. So the following through with the same pattern as the health authorities was done to continue to keep administrative efficiencies there but in no way meant any disregard for the communities. In fact, over the last year we've added additional dollars through family and community support services to provide prevention for children having to be served in the child welfare system.

Again, Mr. Speaker, the intent of this amendment is to enable us to provide more adequately and a more expanded membership for those boards so that we can serve the very disparate regions that are available.

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

**Ms Blakeman:** Thanks very much. I just want to raise a couple of points very briefly while we're in Committee of the Whole. I know that the Official Opposition critic on this bill has already spoken at second and had advised members of this caucus to approve the bill and allow it to move along quickly, which we've been happy to do today. I wanted to make just a couple of points, or perhaps the minister could see them as questions that could be answered in third reading.

When the idea of the children's health authorities was being contemplated, there was a great deal of discussion and organization around a fourth pillar, which was aboriginal. That seems to have been diluted or perhaps even fallen by the wayside. When I look at Bill 22, the Child and Family Services Authorities Amendment Act, 2003, a bill that is looking to increase the number of representatives on any given children's health authority, I wonder what is happening to that fourth pillar, that was to be an aboriginal pillar.

I will also echo the concern – and this leads out of this bill but may not be specific to this bill – that we're seeing a wider move to establishing regions in the province. I agree with the Member for Edmonton-Riverview that if in fact this is what's going on, then I think we should fess up on it. Part of my concern when we went from I think actually 18 children's authorities down to 10 – when I hear of funneling down of administrative authorities, which is what this is, I'm reminded of amalgamations that we have seen, bringing together a larger group into a smaller group, in other parts of the country. I think the lessons that we've learned from some of them are that we really need to make sure that the representation continues, which is in fact what the minister is trying to accomplish with this bill, that even though we've now got 10 authorities instead of 18, the representation from a larger authority continues on the board and that the representation is good.

However, I question whether it will create administrative efficiencies, because when you take a large enough area, you in fact have to

go back and put more people in place so that you are still in touch with the outer regions, and we then create two layers. We've got the new layer that was created, and then we end up with a sublayer in every single little area that needed to be pulled together just so that we can keep up with that representation and the strong connection back to the many little communities that are made up here. In fact, it ends up costing more because you end up having the 10 regional authorities, but then the authorities themselves are each now going to have to go back and set up little sort of satellite ones. That potentially could happen, so I think it's just something to guard against.

Those were the two issues that I'd wanted to raise when I looked at the bill briefly, and of course I wanted to state our intention of assisting the minister with speedy passage of the bill. The Official Opposition is often accused in this House of dragging things out. Therefore, I'm obliged to get up and put it on the record when we do actually facilitate reasonable movement. It's important to do that. In fact, I think it's fair to say that about 80 percent of the bills that pass through here do receive a fair amount of co-operation from the members of the Official Opposition and, indeed, speedy passage.

Thank you for the opportunity to make those points.

[The clauses of Bill 22 agreed to]

[Title and preamble agreed to]

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

**Hon. Members:** Agreed.

**The Chair:** Opposed? Carried.

The hon. Deputy Government House Leader.

3:50

**Mr. Zwodzesky:** Thank you, Mr. Chairman. I would move that the committee now rise and report Bill 22.

[Motion carried]

[The Deputy Speaker in the chair]

**The Deputy Speaker:** The hon. Member for Calgary-Lougheed.

**Ms Graham:** Thank you, Mr. Speaker. The Committee of the Whole has had under consideration and reports Bill 22.

**The Deputy Speaker:** Does the Assembly concur in this report?

**Hon. Members:** Agreed.

**The Deputy Speaker:** Opposed? So ordered.

head: **Government Bills and Orders**

head: Second Reading

(continued)

#### Bill 26 Corrections Amendment Act, 2003

**The Deputy Speaker:** The hon. minister.

**Mrs. Forsyth:** Thank you, Mr. Speaker. It's a pleasure to rise today to move second reading of Bill 26, the Corrections Amendment Act, 2003.

It is my hope that the amendments to the Corrections Act that I am

proposing will enhance the safety of our corrections officers and our inmates by focusing on eliminating weapons and gang-related activities in our correctional facilities. In addition, these legislative changes may help inmates address their drug problems while they are serving in our correctional facilities. I fully acknowledge that a high percentage of inmates come into our correctional facilities with drug and alcohol problems. Often these problems are the basis of their criminal activities. For the sake of the inmates, their families, and the society as a whole, we provide programs and we provide counseling to try and address the inmate drug problems.

As well, these legislative changes may help our probation officers with inmates who have left one of our facilities. Inmates who have come to terms with their addiction and who recognize that they need help will be better able to benefit from community supervision.

Mr. Speaker, I know that the legislative amendments will not solve all the problems. However, I believe these changes will be an important additional tool to help inmates recover from their addictions. At present, we do provide drug and alcohol awareness programs for inmates. We also provide treatment for addictions under individual medically supervised addiction-withdrawal programs.

What I'm proposing is an additional method to help inmates, many of whom do not acknowledge that they need to keep clean and they need to keep sober, and that is to significantly reduce their ability to obtain drugs while they are in our facilities. I have called this a zero-tolerance policy for offender use or possession. A large part of the program will involve an introduction of random drug testing. This program will encourage inmates to remain drug free because they have a better chance of being caught.

Typically, penalties for offenders discovered with drugs include a period of time in segregation and loss of visiting privileges. Mr. Speaker, Bill 26 will ensure that in these cases internal disciplinary hearings will be held. The disciplinary board will be compelled to consider reducing earned remission as a punishment. Currently an inmate could potentially earn a third of their sentence off for simply serving their time. The amendments will ensure that an inmate will have to earn their time off with good behaviour. The loss of remission will be in addition to any criminal charges that may be laid. Loss of earned remission will also be another tool to help deal with offenders who demonstrate assaultive or threatening behaviour toward staff and other inmates. The same will go for the offender found with weapons or involved in gang-related activities.

Let me say a few words about gangs in our correctional facilities, Mr. Speaker. Gangs exist in our facilities. Various gangs use our jails to recruit their new members. We are facing a problem, and it is one that Bill 26 will help address.

In summary, Mr. Speaker, I believe that random drug testing will act as a deterrent, it will help in surveillance, and it will help identify those inmates who need help. I believe that zero tolerance for weapons and gang-related violence will create a safer environment for both staff and offenders. Offenders need to fully appreciate that there are rules in place and that they are expected to live by them.

Mr. Speaker, it is a great pleasure for me to bring forward this legislation and to have it debated in this Assembly. The amendments to the Corrections Act that I am proposing in Bill 26 will hold offenders fully accountable for their actions for the time, however short in comparison with federal penitentiaries, that they are incarcerated in Alberta correctional facilities.

Mr. Speaker, thank you for the opportunity to rise today and speak on behalf of this bill. Through you I urge all members of the Assembly to support this initiative.

**The Deputy Speaker:** The hon. Member for Edmonton-Centre.

**Ms Blakeman:** Thanks very much, Mr. Speaker, for the opportunity to rise as the Official Opposition critic for the Solicitor General and speak in second reading to Bill 26, the Corrections Amendment Act, 2003. In speaking to the principle of the bill, I always look at bills to ask three questions. Is there a problem? Does it need legislation to fix it, or would legislation fix the problem? Thirdly, is this the legislation that would fix the problem?

I think the Solicitor General has outlined that there is a problem. I think we all know there's a problem, and if we don't, we haven't been paying much attention to the media. There's certainly a large problem with drugs in our provincial prisons and in the federal prisons. We know that there is gang activity and, even more chilling, that there is recruitment into gangs that happens in the prison system, and we know that there's a problem with violence and use of weapons against the staff and against other inmates. So is there a problem here that we need to be addressing? Absolutely. No question. I have to say that I'm pleased to see the government understanding that there is a problem and trying to do something about it.

My next question is: does it require legislation to fix the problem? If we know we've got drugs in prison and we know we've got gang activity and gang recruitment going on in prison and we have violence and the use of weapons, is legislation the tool to address these problems and to try and alleviate, minimize, or eradicate these problems? I think the answer is yes. We need to be able to empower the people that operate our provincial prisons to be able to put certain programs in place that work toward this, because we are dealing with a number of different constituencies here. We have the constituency of the prisoners, and those are people sentenced to provincial time, two years less a day. We have the constituency of the staff, who for the most part are employees of this government, employees of the Solicitor General's department. Under that, I would include support staff, administrative staff, janitorial, food preparation, et cetera. So that's the second constituency.

4:00

There is the affiliated constituency that comes from the family and friends of the first two, because certainly if the prisoners are affected or a staff member is affected by drug use that leads to disease, for example, or if someone is injured, that certainly affects the third constituency, which is their family and friends and, in fact, the wider public. Therefore, it is an issue that needs, I think, to be dealt with under legislation and to look for ways under legislation to make that possible, and that's not to say that there aren't programs that can be implemented without legislation. I think there are, and with political will and ingenuity there are a number of things that probably can be put in place without needing the legislation to do so.

Now, the final question is: is this the legislation that would accomplish all of that? This is where I start to struggle. In principle I'm certainly supportive of the minister's efforts in this area, but I feel that this legislation doesn't go far enough, and I have been critical of what is not contained in this bill that I feel should be contained in this bill. I'll put that on the record now.

What is in this bill as compared to a lot of things we've heard talked about as being in the bill but in fact are not specifically outlined here? What is in this bill is adding in the definition of illicit drugs, meaning alcohol or a controlled substance or any other substance that could be designated by the regulations. The definition of an illicit-drug test is added in. Then we get added into some of the sections things that people shouldn't do: bringing illicit drugs or causing illicit drugs to be brought into a correctional institution or possessing an illicit drug while in a correctional institutional, so bringing it in or having it on you. So those are the definitions that are added.

Then we have a series in the bill that is looking at implementing

the ability through legislation to conduct random tests and specific tests for illicit drug consumption. It's being able to test people to see if they have drugs in their system, and there are two kinds of tests that are talked about or contemplated by the legislation. One is a random selection, and the second is very specific if someone has a reason to believe that an inmate is under the influence, if I may use those terms. There's a third section which is sort of a regulatory requirement that if we have an inmate going into a situation that requires that people are guaranteed to be clean, let's put it that way, so going into a community program or into, for example, an alcohol abuse reduction program where they're required to be clean, there's another reason to be testing them to make sure that they are.

So what we have so far are definitions, and we have testing for illicit drug use.

Then there's a section in the bill that discusses punishment and opens up some other areas that could be levied as punishment for inmates. The most obvious and specific one that's being opened by this amending bill is to talk about losing earned remission, and the minister had already spoken briefly about that, that there is a format, a program, a structure by which inmates for a particular good behaviour earn time off towards their whole sentence. What's being contemplated by this bill is that should they contravene any of the rules or the legislation or the regulations in fact, the board, the director, or a panel could now take away some of that earned time off for good behaviour, also known as earned remission. So that's really a punishment section.

Then we have a section that allows for the making of regulations around searches and drug testing. Essentially that's the end of the bill.

So I'm curious, and I look to the minister to point out where in the bill – or perhaps she contemplates it coming under regulations somehow – we have things laid out like zero tolerance on violence or zero tolerance on gangs, because the only place those are really spoken of or referred to in this act is around the punishment section, in which it's detailed: here are some considerations where people may have breached it, and if they do breach it, then we can consider looking at loss of remission as a punishment for it. But nowhere in this four-page bill – and actually on the fourth page there's one sentence that talks about proclamation only, so it's really a three-page bill – is it talking about and outlining a program or a legislative authority to do anything with gangs or violence or with drug use. Now, the minister rightly laid out that there are number of programs already available that don't require legislation to be implemented and are available currently in the corrections system.

[Mr. Renner in the chair]

The minister referred to eliminating weapons, but in fact there's nothing in the act that actually does anything to eliminate weapons. As I said, the only place weapons are mentioned is under the punishment section and its listing under section 5(2), an appropriate punishment that the panel can consider doing, including the loss of earned remission, if the regulations or rules of one of the following has been broken, and the possession or use of a weapon falls under that, 5(2)(d). So it's really talking about punishment. It's not talking about any activity to get rid of the use or possession of a weapon. It's assumed here that the inmates would know that they would be punished by losing their remission time and would therefore not bring weapons in or not use weapons, but there's nothing else really said in the bill about weapons.

So to say that there's zero tolerance for gang activity or for use of weapons or violence, it really just doesn't appear in the bill. The minister may well be contemplating that under regulations, but when

I look, knowing how fond I am of regulations, in the bill under what is being additionally authorized by the bill under the regulations section, that's where we're talking about the ability to carry out searches and the illicit drug tests. It's not adding anything else beyond that.

One of my largest concerns about what is not addressed in this bill is harm reduction strategies. Now, I have talked about this a great deal because I think it's important. I look to members of cabinet to understand and uphold that they have a number of people's welfare under their care and that there is a duty of care that is expected from the kinds of programs and activities that the cabinet authorizes. I'd like to refer to some work that was done by the Canadian HIV/AIDS Legal Network, and I'm going to quote from a news release that they put out last November, November 2002, and it's just a little description of what they do.

The Canadian HIV/AIDS Legal Network is a national organization engaged in education, legal and ethical analysis, and policy development, with over 250 organizational and individual members across Canada. In 1996, the Legal Network released HIV/AIDS in Prisons: Final Report, containing 88 recommendations about what Canada needs to do to prevent HIV transmissions and address injection drug use in prisons.

There was an updated report released in November of 2002 which assesses the progress that has been made in implementing these recommendations within the federal and the provincial/territorial prison systems. I'll also note that the legal network is a nongovernment organization in special consultative status with the Economic and Social Council of the United Nations. So no slouch, this bunch.

Their conclusions are worrying. They would be the ultimate authority in my opinion on how well we're doing with harm reduction strategies in either the federal or the provincial prison systems, and in fact Alberta is mentioned as part of their report card, and where they're mentioned is not happy news. But I will come back to that.

#### 4:10

I note that as part of the preparation of this particular updated report card, those that were consulted in Alberta include the director of the temporary absence program from Alberta's Solicitor General correctional services division, the director of division support services from Alberta's Solicitor General correctional services division, and the hon. Minister of Health and Wellness. They were all consulted in the preparation of this, so we have to assume that those are pretty good authorities, and I'm certainly willing to take their authority on this.

Now, when we look at what the problem is – and on this I'm quoting from page 66, Action on HIV/AIDS in Prisons: A Report Card. The conclusion of the report says:

Although the prevalence of HIV among Canadian prisoners is at least 10 times higher than in the general community, far from enough is being done to prevent the spread of HIV infection in prisons and to provide prisoners living with HIV or AIDS with adequate treatment, support and care.

This puts "prisoners, staff, and members of the public at risk of their lives," and remember I talked earlier about those three constituencies of people, and there you have it again: prisoners, staff, and members of the public. Those in fact were the words that started out the 1996 report, and they were not able to improve upon that much when they went back and looked at the 2002 report.

Into this mix you can tell that between '96 and 2002 we've had to add another factor in, and that's hepatitis C. So where we used to be concerned about HIV/AIDS, we now have to be concerned with hep C under the same circumstances, hepatitis C, which I'll shorten to hep C with your permission.

The problem that we have here is that we do not have a consistent, across-the-board implementation of what we call harm reduction

strategies, and these are essentially denied to prisoners. So we've got jurisdictions that have just failed to embrace a harm reduction approach to drug use, and Alberta is one of them. That includes failing to provide adequate education to inmates about HIV and hep C.

I'll quote again from page 67 of the report:

Prison systems have a moral, but also a legal responsibility to act without further delay to prevent the spread of infectious diseases among prisoners, and to prison staff and the public, and to care for prisoners living with HIV and other infections.

There we have the hep C coming in again. So it talks very clearly about the protection of the prisoners and protection of the staff.

Further on in the report it reflects upon the fact that these people live in wider communities – that's the third constituency I was talking about – and points out that the governments that are in charge of these various prison systems have a duty of care, a responsibility to prevent the spread of HIV and, I would add, hep C among communities. Prisoners are a community, and they furthermore go out into a wider community when they are released. I've heard the minister say that the average length of stay in the provincial prison system is 36 days, so we potentially can have someone contract this disease and then send them out into a wider community in which further harm can be done. So, essentially, protection of prisoners is protection of all of our communities, and I think it's important to remember this.

In no way am I saying that drug use is okay or that it should be made legal or, you know, that it's excusable in any way, shape, or form. I'm not. But I am saying that if you cannot eradicate drug use in prison – and we haven't been able to. Nor has any other prison system been able to successfully eradicate their system of drug use, at least none that I'm aware of using legal means. So we have drugs in our system, and I think that to not be implementing harm reduction strategies when we know of shared needle use, for example, and the various ways that these diseases can spread and we let these prisoners back out into a community, potentially to infect further, is a neglect of duty that is not acceptable from a government who has lots of information available to them to tell them that this is the likely outcome of their activities. So I am pressing the minister to include harm reduction strategies into this legislation and into the programs that she's anticipating here.

[The Deputy Speaker in the chair]

One of the issues that we struggle with the most is that the rate of infection of HIV and hep C in prisons is so much higher than in the outside population, and therefore the likelihood of it spreading is much higher because there are just more people infected with it. This is also about protecting our staff, and I think it's important that we remember that. The minister doesn't want to appear to be okaying drug use amongst inmates, but my concern is more about what happens to our staff.

I look forward to continued debate in Committee of the Whole. Thank you.

**The Deputy Speaker:** The hon. minister to close debate?

**Mrs. Forsyth:** No. Go ahead.

[Motion carried; Bill 26 read a second time]

### Bill 29

#### Law of Property Amendment Act, 2003

**The Deputy Speaker:** The hon. Member for Calgary-Lougheed.

**Ms Graham:** Thank you very much, Mr. Speaker. This afternoon I am pleased to move second reading of Bill 29, the Law of Property Amendment Act, 2003, which will have the effect of giving all mortgage default insurers operating in the province the ability to sue an individual for a mortgage deficit on a high-ratio residential mortgage after there has been a foreclosure on the subject mortgage property.

By way of background, Mr. Speaker, the Law of Property Act in this province sets out certain legal requirements for real property or land transactions and also contains the statutory authority for lending institutions to foreclose on mortgages. In these foreclosure rules section 40 of the Law of Property Act prevents lending institutions, when foreclosing on a residential mortgage, from taking action against an individual borrower beyond taking the property, even if that property is worth less than the amount owing on the mortgage. The general rule for mortgage enforcement in Alberta is that a lending institution can't sue an individual borrower for any deficit owing on a residential mortgage, and the lending institution can only foreclose on the property. This general rule began in 1939 so that farmers and others didn't lose the basis of their livelihood if they defaulted on a mortgage.

There is, Mr. Speaker, an exception to this general rule in favour of the Canada Mortgage and Housing Corporation, or CMHC, as it is commonly referred to. This comes about for this reason. Under the federal Bank Act a borrower is required to obtain mortgage default insurance if the borrower is borrowing more than 75 percent of the value of the mortgaged property from the lending institution, and these mortgages are referred to as high-ratio mortgages. The required mortgage default insurance, to which I have referred, as required under the Bank Act is available in Canada from the federal Crown corporation Canada Mortgage and Housing Corporation, or CMHC, under the National Housing Act, and it is also available by a private-sector company known as GE Capital Mortgage Insurance Canada.

4:20

Now, section 43 of our Law of Property Act establishes that mortgages insured by CMHC are exempt from that general rule or that restriction that I mentioned before which prevents the lending institution from suing the individual borrower for any balance owing on a residential mortgage. As a result, Mr. Speaker, if an individual defaults on a CMHC-insured residential mortgage, CMHC will pay out the mortgage to the lending institution, it will foreclose on the property, and it has the ability to sue the individual borrower for any balance owing on the mortgage.

This exemption in favour of CMHC was first established in 1945, when there were no other companies providing this insurance, but that situation has now changed, Mr. Speaker. The exemption for CMHC gives CMHC a competitive advantage over its private-sector competitor, the previously mentioned GE Capital Mortgage Insurance Canada, and of course any other private company that may want to enter the mortgage default insurance business in this province. Under the current rules, if a borrower defaults on a GE Capital insured mortgage, GE Capital will have to pay the lending institution for any balance owing on the mortgage after recovery on the land, but it cannot sue the borrower to recover any deficit balance still owing on the mortgage. Thus, there is an imbalance or an unlevel playing field between CMHC and GE Capital.

Mr. Speaker, the proposed amendments in Bill 29 will level the mortgage default insurance playing field by, firstly, allowing all mortgage default insurers the ability to sue borrowers for any balance owing on a high-ratio mortgage and, secondly, preventing all mortgage default insurers from suing borrowers for any balance

owing if the mortgage is not a high-ratio mortgage; in other words, on all conventional mortgages.

Mr. Speaker, defining the term “high-ratio mortgage” for the purposes of our Law of Property Act will be done through regulation to allow further input on how the term should be defined and whether or not it should reflect the definition of high-ratio mortgage in the federal Bank Act, which, as I mentioned, is when the down payment is less than 25 percent of the value of the property.

Mr. Speaker, these amendments are designed to ensure that the two mortgage default insurers, CMHC and GE Capital, will operate under the same rules and that CMHC, as a federal Crown corporation, will not hold a competitive advantage over its private-sector competitor. The ability of mortgage default insurers to sue borrowers for outstanding balances is being limited to high-ratio mortgages under our proposed amendments. The reason for that is that high-ratio mortgages present a unique risk because borrowers only place a small down payment on high-ratio mortgages, and that being the case, in these high-ratio mortgages a small decrease in the value of the mortgaged property can result in the property being worth less than the amount owing on the mortgage.

Mr. Speaker, it is important to note that these amendments will continue to protect individual Albertans who have default-insured mortgages that are not high-ratio mortgages. In addition, the act will continue to offer protection to individual Albertans who have mortgages with lending institutions where the mortgages are not insured with mortgage default insurance. In these instances the lending institution’s recourse will be limited to foreclosing on the property. Borrowers cannot be sued by either the mortgage default insurers or the lending institutions for any balance which may be owed on the mortgage.

In closing, Mr. Speaker, these amendments are in keeping with Albertans’ belief that public institutions should not have a competitive advantage over their private-sector competitors. Those are my remarks in second reading.

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

**Mr. MacDonald:** Thank you very much, Mr. Speaker. It was certainly interesting to listen to the comments from the hon. Member for Calgary-Lougheed in regard to Bill 29, the Law of Property Amendment Act, 2003. I would like to express my gratitude on behalf of the Liberal caucus and the research staff for the gracious help that has been provided by the hon. member in regard to this bill.

There are still many outstanding questions at this time, Mr. Speaker. There certainly seem to be two parties to date who have expressed an interest to this side of the Assembly in regard to the matters that are being discussed with Bill 29, and they are, as previously the House heard, the Canada Mortgage and Housing Corporation and GE. Now, one would not think that the General Electric Company has much of an interest in mortgage insurance. One thinks of turbines and electric motors and things like this, but certainly GE Capital Mortgage Insurance Canada is supportive of this bill. They argue and advocate that it creates a level playing field for all mortgage insurance companies in Alberta.

Now, by exempting them from the provisions, as the hon. member said, from sections 40 and 41 of the current Law of Property Act – and it is interesting to know that General Electric has a substantial presence in Alberta. This includes a new manufacturing plant for GE substation automation – that’s a global business based in Calgary – and the Canadian head offices of two GE capital businesses. The GE railcar is in Calgary as well, and GE Capital Card Services is in Edmonton and has sales and service operations in this city for other GE-related businesses. In total, General Electric has 900 employees

and \$1.4 billion in assets in Alberta, and that is significant.

This company, in correspondence that’s been provided to this side of the House, Mr. Speaker, indicates that the current Law of Property Act creates a double standard, and they go on to state that most lenders who provide high-ratio mortgages to home buyers – that is, with down payments of less than 25 percent of the property value – are certainly required to purchase mortgage insurance from either the CMHC or the GE corporation. Now, GE is CMHC’s only current private-sector competitor, and as everyone knows, the CMHC is a federal Crown corporation. Whenever GE Capital Mortgage expresses concern about this perceived double standard, which places the government-owned company and private-sector companies on different footings in terms of their ability to collect on loans in default, it significantly restricts any private-sector company’s ability to do business in Alberta because of the additional risk that they are exposed to.

4:30

Certainly, Mr. Speaker, we have to ask: why is mortgage insurance important? Mortgage insurance enables people who are entering the home market or home buyers for the first time who have a good credit rating to purchase a home with a down payment as small as 5 percent of the purchase price and still get the same interest rates as they would have obtained with conventional mortgages. Mortgage insurance does this by protecting lenders from losses that result from a borrower defaulting on a mortgage at any time during its 25-year period.

Now, under the Bank Act all lenders who provide mortgages to home buyers who make down payments of less than 25 percent of the property value are required to purchase mortgage insurance. Our research has indicated that to date there has been contact, but the Canadian Bankers Association is still studying this issue in this bill. So I’ll be anxious to hear back from them, Mr. Speaker, in regard to this matter.

The hon. member earlier talked about: why does an unlevel playing field exist in Alberta? It goes back to an amendment to the Law of Property Act in 1945 to provide an exemption for the Canada Mortgage and Housing Corporation at a time when there were no competitors to the Canada Mortgage and Housing Corporation. As a result, the amendment for CMHC did not contemplate private-sector competitors.

Now, it’s interesting that all other provinces – and I think the hon. member mentioned this – except Saskatchewan make all borrowers responsible for their actions when their mortgages are insured by either GE or CMHC. In Saskatchewan, as I understand it, CMHC has no special status, Mr. Speaker. We have to wonder, you know: are the delinquency rates that much higher in Alberta than anywhere else, or what’s going on? According to GE now Alberta has had Canada’s best performing economy over the past five years, and this should mean a low rate of mortgage defaults, but that has not been our experience in Alberta. GE Mortgage’s delinquency rate in Alberta is its highest in Canada. All this economic activity, all this supposed high disposable income, yet we find this going on.

Also, it is interesting to note that GE indicates that this has taken place even though GE Mortgage tends to be more conservative in its underwriting practices in Alberta. Our loan provisions here – maybe this is a caution or a warning bell. This goes back to the previous – I think it’s 20 years ago now, Mr. Speaker. That would be this practice that went on here, and it was called dollar dealing. Now, certainly, according to GE Bill 29 in its present form encourages responsible borrower behaviour.

GE Mortgage entered the Alberta market – it’s only been seven years – as a second provider of mortgage insurance. Up to that

point, most brokers, lenders, and lawyers only dealt with CMHC for their mortgage insurance needs. GE Mortgage's account representatives in Alberta are often asked about the effect the Law of Property Act had on GE when compared to CMHC. In some instances GE Mortgage has been contacted by Alberta lawyers who are trying to understand the difference between their clients and have specifically told them to confirm that unlike a CMHC insured mortgage a borrower cannot be sued with a GE Mortgage insured mortgage. Now, Mr. Speaker, some mortgage brokers are actively promoting GE Mortgage's insurance to borrowers specifically on that ground. This side of the House certainly hasn't heard from any of them, and I think I would welcome their views on this bill.

Certainly, when we talk about the advantages of changing the Law of Property Act – and the hon. member talked about promoting competition by leveling the playing field for all mortgage insurers in this province. I would have to question – and hopefully this will be answered in the course of debate – what new products, if we are to support this legislation and it is to become law, will be introduced to the Alberta market that previously would have been excluded from this province. I also would like an answer to this: what is the need to increase the availability of high-ratio financing across Alberta? Who is demanding this?

Now, I'm told that we can possibly reduce the level of defaults and minimize the negative impact on property prices during economic downturns. I would appreciate more information on this matter before one decides whether to support this legislation. When we consider, as GE does, that one of the advantages of changing the act would be to promote responsible behaviour by borrowers by discouraging people from defaulting on their mortgage when they still have the ability to pay it, how many of these practices are going on in this province now? That's GE's side of the story.

Certainly, the prairie regional general manager of another stakeholder that we consulted, the Canadian Mortgage and Housing Corporation, indicated that the bill does not fulfill its stated objective of leveling the playing field. There was a suggestion that GE Mortgage Insurance doesn't need the right to recourse offered by the bill that CMHC currently enjoys because CMHC is obligated through its mandate to take on riskier mortgages than is the private insurer who can handpick clients. Now, this is quite interesting, Mr. Speaker.

The general manager of the prairie region also advised that the consultation process for the bill left out the Canadian Bankers Association, and I know that we're still waiting for an opinion, as I stated earlier, from the Canadian Bankers Association. Their lawyers are having a look into this bill, and I'm going to be anxiously awaiting the correspondence in regard to that matter, and perhaps this will catch up with the Legislative Assembly next week.

Mr. Speaker, we need to ensure that everyone is satisfied with these changes, and I would caution all members of the Assembly that we hold off on this until we hear back from these stakeholders. Certainly, the hon. Member for Calgary-Lougheed suggested that this Law of Property Amendment Act is consistent with the federal Bank Act, but it would certainly be nice to hear from their own experts.

[The Speaker in the chair]

Mr. Speaker, also at this time – I don't know how many more minutes I have here in the discussion – it would be good to have a definition of a high-ratio mortgage. It would be excellent to have the definition in the act, not in the regulations. We'll see what happens with this suggestion, but perhaps it would make members on this side of the Assembly more comfortable if that definition was in the statute and not in the regulations.

4:40

When we consider the consultation process and we look at both parties involved in this, as I said earlier the Canada Mortgage and Housing Corporation and GE Mortgage, one has to hear both sides, Mr. Speaker, of the issue. The general manager of the CMHC prairie region goes on to state that it would be her preference to see an amendment to Alberta law that currently allows a person to assume a mortgage without qualifications. If the second person defaults on the mortgage, both the original and the second person can be pursued. Only the second person would be pursued if they had to qualify to assume the mortgage.

Now, there are a lot of issues here. In conclusion, we reserve our support for this bill certainly until we hear back from a couple of other stakeholders. It may seem like straightforward legislation, but if there was a significant downturn in the economy and there were a lot of people left with mortgage difficulties, particularly after they had purchased a new home with very modest down payments, I'm not so sure how these changes would affect them.

Again, Mr. Speaker, I will reserve any further comments on this bill until hopefully I get an opportunity to hear back from some other groups that we have contacted in regard to this matter. Thank you.

**The Speaker:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Thank you, Mr. Speaker. I won't speak at great length here. I do have a handful of issues to raise and questions to perhaps just begin directing at the Member for Calgary-Lougheed or anybody else who wants to respond to them at some point.

As I read through the material on the bill and the bill itself, I must say that my sympathies don't automatically lie with huge financial institutions, especially when they're in a relationship with an individual borrower, nor am I saying that I'm automatically opposed to them. I have accounts at a major bank, and they're as reasonable as all banks can be, I guess. They don't necessarily give me good service fees unless I'm very sharp with them.

The reason I raise that is that I see this bill as frankly doing a favour for a very large financial organization, and I do wonder if that favour might not be at the expense of individual Albertans who are perhaps through no fault of their own in financial straits. They might enter into a high-ratio mortgage and they get injured; they lose their job. I certainly remember a time in the mid-80s when tens of thousands of Albertans were losing their jobs when the economy tanked. I'm not keen on entering into a law that would give a huge multinational – in fact by some measures I think GE is the largest multinational in the world, certainly in the top three or four. I'm reluctant to enter into a law that would give that multinational power to pursue Albertans who are bankrupted or broke through bad luck, bad circumstances, through no fault of their own.

On the other hand, I do recognize that people need to borrow money, and lenders need some security, or they'll stop lending, and then we're behind on that account too. So really it is a matter of balance. The thing to me is that I don't know what's been wrong with the system to date. I haven't heard anything about this issue in my constituency office. I'm not sure what's behind this bill coming forward at the moment, whether perhaps GE has been lobbying on this particular issue or not.

So this is going to be a matter of weighing things out, weighing what's in favour of the individual Albertan and what's in favour of, frankly, a giant multinational. I do notice one thing here, that the profits and revenues from this business, when we allow GE greater access to the market, are going to flow right out of the province and, indeed, ultimately out of the country. I'm concerned. It's the same pattern, the same principle I've seen followed with bringing Direct

Energy into the electricity market, replacing ATCO. We know that when ATCO is in the business and making a good profit, that money stays with Albertans, just as we know that when Direct Energy takes over and makes its profit, that money is going to flow out, ultimately, to headquarters in Britain. So tough issues here.

One of the things I would ask the Member for Calgary-Lougheed to provide perhaps when we're in committee would be some examples of how this issue has unfolded in real life. Are there times when GE has been left out to dry because we haven't had the proper legislation? What has the impact of that been on GE? It would be interesting to find examples on the other end, where people perhaps have lost their capacity to sustain a high-ratio mortgage, defaulted on the mortgage, and then might at some point find themselves exposed to a lawsuit from a huge multinational. How does that dynamic play out? Has Canada Mortgage and Housing followed that course since it has the right to do so? Has it followed it very often? What have been the outcomes? Those examples, those stories are often very valuable in helping to understand how a piece of legislation like this plays out.

One other issue that comes to my mind: clearly, if this bill passes, we are shifting the financial risks from a multinational to the individual Albertan. We are lightening the risk load, the risk exposure of GE, and we are transferring that burden to the individual Albertan, so it's a shifting of risk. At the very least, if GE is having its risks reduced, its financial exposure reduced, then I would hope that they would commit to lowering their interest rates and perhaps improving the terms under which they loan the money. After all, if they are charging extra, and presumably there is some kind of a premium for insuring these mortgages, then maybe that premium should be reduced if they're facing fewer risks as a result of our perhaps passing Bill 29.

So at this stage, those are some of the principles I'd like to explore here: some of the issues around fairness, money staying in Alberta, money going out of Alberta, risks on the individual versus risks on what is, after all, an enormous, enormous corporation. Gosh, I'm a little reluctant to expose individual Albertans to duking it out one on one with GE. Why should I do that? The Member for Calgary-Lougheed has to convince me why I should support doing that.

With those comments, Mr. Speaker, I would move that we adjourn debate on Bill 29. Thank you.

[Motion to adjourn debate carried]

**4:50** **Bill 31**  
**Local Authorities Election Amendment Act, 2003**

**The Speaker:** The hon. Member for Grande Prairie-Wapiti.

**Mr. Graydon:** Thank you, Mr. Speaker. I'm rising to move second reading of Bill 31, the Local Authorities Election Amendment Act, 2003.

It's a very important piece of legislation in Alberta. It sets out the procedures for the conducting of elections of municipalities, school boards, and some other local authorities. The government acknowledges the key role of the Local Authorities Election Act and is firmly committed to ensuring the act's continued viability and relevance. To further improve upon the act, the government has concluded that additional amendments are appropriate. There's been a lot of consultation, and the proposed amendments certainly would clarify the election process for stakeholders and ensure that the process remains current and valid for future elections.

The proposed changes under Bill 31 would accomplish some of the following. It would accommodate those requiring assistance in

the voting process by providing greater access for incapacitated electors and assisting those unable to read or understand English. Examples include authorizing the deputy returning officer to extend the boundaries of the voting station to include the closest point of access that the incapacitated elector can attend. This would provide assistance to those unable to read and provide blind voter templates when requested.

The proposed changes would also ensure integrity in the administration of oaths by, for example, requiring agents to take the official oath in the performance of their duties and prior to entering the voting station. It would clarify the duties and responsibilities of election officials by allowing returning officers to record their objections if they feel the candidate or voter to be ineligible and clarify that the responsibility for filing proper nomination papers rests with the candidate, not the returning officer.

It will create greater consistency between summer village voting and elected authorities by standardizing time lines and voting patterns. Examples include extending the time for receipt of nominations for summer village votes consistent with other local elections and clarifying residence requirements for summer village residents. It would ensure fairness and equity in the nomination process and create flexibility in that process. This is accomplished by providing consistency between school board and municipal elections in the requirement of signatures on nomination forms and ensuring consistency in the retention and inspection of nomination papers and ballot counts.

It would balance electors' privacy rights with a candidate's right to access information by providing greater consistency with the Freedom of Information and Protection of Privacy Act and outline the role of enumerators, campaign workers, and candidates. Proposed amendments include clarifying that the list of electors is prepared in accordance with the bylaw, requiring proper identification for enumerators, candidates, or campaign workers and adding a consent clause on the nomination form to allow at the candidate's discretion the release of relevant information.

It would clarify administrative procedures. There were some redundancies, omissions, and duplication references identified such as the need to add a reference to school division or regional division to complement the reference to school district and clarify that where a municipal council is acclaimed, the organizational meeting can be held any time after the returning officer has declared the candidates elected.

Other suggested amendments include deleting outdated references such as "cash order" and removing the requirement to list incapacitated electors "alphabetically according to wards."

Just a couple more brief points. It would guarantee the security of ballot boxes and provide access to alternate methods of voting by providing for special ballots similar to what exists in the current Election Act. It would ensure the integrity of electronic voting equipment by requiring standards for electronic voting equipment and increase the flexibility in the conduct of advance voting by allowing voters to vote at the advance vote if they are unable to vote on election day. Previously it was only if you were going to be absent from the local jurisdiction. That will be changed.

These amendments need to be in place for the 2004 local authority elections.

In closing, by supporting these amendments, we will provide all Albertans with increased integrity, fairness, privacy, and access in participating in the democratic election process that we enjoy.

With that, Mr. Speaker, I would move that we adjourn debate on Bill 31.

[Motion to adjourn debate carried]

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

**Bill 13**  
**Government Organization Amendment Act, 2003**

**The Speaker:** The hon. Member for Calgary-Bow.

**Ms DeLong:** Thank you, Mr. Speaker. I'm pleased to move third reading of Bill 13, Government Organization Amendment Act, 2003.

Just as a reminder as to what this is about, since it's been a while since we were dealing with this bill, I'll just go over the key information here. Alberta Registries issues identification cards so that Albertans who don't drive are still able to have photo identification.

Thank you very much, Mr. Speaker.

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

**Mr. MacDonald:** Thank you very much, Mr. Speaker. At this time I would like to stand and get on the record briefly at third reading of Bill 13. Certainly, Bill 13 is going to authorize the continued production of all the voluntary ID cards in the province, and this goes back to, I believe, the youth of the hon. Member for Edmonton-Centre and the old ALCB cards, that were prized possessions of those people who were just turning the age of majority in the 1970s, times like that. You know, the Alberta Liquor Control Board first began issuing these photo identification cards I think in the early '70s. The hon. Member for Edmonton-Centre could certainly correct me, but perhaps it was even at the specific time when the drinking age was lowered to 18. I'm not sure. But this seems to be a continuation of that program.

Certainly, when you look at the cost of this card over five years, which is a little less than \$40, it's half the price of a passport. The expiry date is going to be on the individual's birthday, and it's just going to be a simple ID card with photo and signature and address, birth date, gender, height, weight, hair and eye colour. It's not only going to be useful for younger people, students, but seniors who don't drive and don't hold a licence may find merit in holding this card, citizens who are blind, or anyone who might need photo ID for everyday actions such as cashing a cheque or accessing government programs. So I don't see any problems or much concern about this with the exception that I certainly hope we don't have the same sorts of problems we're having with the drivers' licences in this province.

The hon. Member for Calgary-Bow was kind enough to provide a briefing in regard to this bill, and the hon. member and some of the staff from Government Services gave assurances that a significant amount of thought had gone into the design of this card and it had safety features that would not allow unauthorized reproduction or forgeries or frauds, whatever you want to describe it as, Mr. Speaker.

My only caution again on this is that I consider our registry system to be a bit of a weak link. Some of the registries have been selling drivers' licences and whatnot that are not authentic. In some cases I believe the market was between \$200 and \$500 in Calgary. So there are definitely some problems with that system.

5:00

I certainly hope, in conclusion, that what we're trying to do here with Bill 13, the Government Organization Amendment Act, 2003, as sponsored by the Member for Calgary-Bow, is going to be different from the problems we have with the drivers' licences and the concerns that have been expressed in regard to the registries and the promotion and the reproduction of drivers' licences.

With those comments, I will cede the floor to another hon.

member of this Assembly, Mr. Speaker, and I hope this works out well for all the citizens of Alberta that need it. Thank you.

**The Speaker:** The hon. Member for Edmonton-Centre.

**Ms Blakeman:** Thanks very much, Mr. Speaker. I just wanted to speak in support of this bill in third reading again because I think that it is important that we continue to have identification cards available beyond the mainstream. There's already been a fair amount of discussion about the old what we call ALCB cards, which is certainly dating us.

Someone else pointed out that the people that really needed those identifications cards – and they're picture ID – were those that didn't have a driver's licence. I know that now they are issued by the registries and in this case the private registries in Alberta, but it's important that we continue to offer those cards and that they are accepted as we expect them to be accepted. You know, even given the increased security and vigilance we need to have around protection of people's personal identity, I think that enough safeguards can be put into place around this kind of non driver's licence photo ID, that we can protect it, and it's important.

I've had constituents who are not in the best time of their lives; they're struggling. One guy I can think of, you know, lost his vehicle, and his driver's licence expired, and that was it. There he was: no ID. At that point, he couldn't get anything. He couldn't get an ATM bank card. He couldn't open a bank account. He couldn't begin to even get any other ID because everything had expired on him. So I was able to vouch for him, and he was able to go to the private registries and get this version of this ID card, and it allowed him to sort of start everything over again and to rebuild his life. But he was in a fairly bad state without any kind of picture ID, because in this world of security and access, boy, you've got to have that.

So I appreciate what's being put forward here and that there is a way of continuing to apply for these cards and that they will be accepted and that there's security around the issuance of them. I think the only thing we need to be really careful about is the regulations section, and again I get concerned when I see that the minister may make regulations respecting "the issuance, renewal, cancellation and expiration of identification cards" or the next section, (d), "the qualifications or conditions required to be met in order to be issued or to hold [one]." I mean, I know that you don't want all of this stuff in legislation, but I continue to be quite grieved by the amount of decision-making that affects all Albertans that goes on behind closed doors and without scrutiny, without information.

I'm glad to see this carrying on, and I thank the member for bringing it forward and Mr. Speaker for allowing me the opportunity to speak in favour of it.

[Motion carried; Bill 13 read a third time]

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

**Mr. Zwodzesky:** Thank you, Mr. Speaker, and thank you to all members of the House for excellent progress this week and today in particular. On that note, I would move that we now call it 5:30, and pursuant to Government Motion 10, agreed to earlier today, I would move that our Assembly do stand adjourned until 1:30 p.m. on Monday, April 7. May I wish everybody a happy conclusion to the month of March.

Thank you, sir.

[Motion carried; pursuant to Government Motion 10 the Assembly adjourned at 5:06 p.m.]