

Legislative Assembly of Alberta

Title: **Wednesday, April 23, 2003** **8:00 p.m.**

Date: 03/04/23

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, I'll call the committee to order. Before I recognize the Minister of Municipal Affairs, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Chair: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Chairman. It is indeed a pleasure to introduce an individual from my constituency. In the members' gallery we have Lawrence Ference, who is the second vice-chairman of United Farmers of Alberta.

Just to tell you a couple of things about United Farmers of Alberta, the organization, they are presently closing in on a billion dollars in sales for each year. Also, in 2009 they're looking forward to their hundredth year anniversary of existence. Presently they run 115 petroleum centres and have 34 farm outlets. I would also like to say that they are the eighth largest co-operative in Canada. In Alberta they have 120 active members. If I could ask Lawrence Ference to please stand and get the traditional warm welcome of this Assembly.

The Deputy Chair: Does anybody else have any introductions?

head: **Main Estimates 2003-04**

Municipal Affairs

The Deputy Chair: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you. Mr. Speaker, it is indeed my pleasure this evening to present the estimates for Alberta Municipal Affairs. I might also add that clearly our ministry is committed to working with a variety of stakeholders to ensure that Albertans live in safe, sustainable, and enhanced communities and are served by an open, effective, and accountable government.

In the coming year we will pursue six additional goals, building on our successes, taking a continuous improvement approach in dealing with municipalities but also enhancing an already effective, responsive, co-operative, and well-managed local government sector, continuing to build on the successes over this next year but also enhancing the financial sustainability and accountability of municipalities.

It's also equally important to talk about a well-managed and effective assessment and property tax system in which stakeholders have confidence, which, I'm very pleased to say, is taking place; also a comprehensive safety system that provides an appropriate level of public safety, and I'm very pleased to add some more detail about that later on tonight; also an emergency management program that enables effective preparation for, response to, and recovery from major emergencies and disasters in the province at the local level and working in partnership with first responders; and also an independent appeal system that issues timely and impartial decisions of high quality.

I mentioned earlier that our Municipal Affairs budget this year, in

case you may not be aware, is a grand sum of \$133.7 million. Now, that supports the operation of four key, main areas within our ministry: local government services as well as our public safety division as well as the Municipal Government Board and, of course, our ministry support services.

Now, when we look at the revenues within our budget for 2003-04, the ministry's statement of operations by program indicates that our revenues will be approximately \$42.3 million. I think it's important to recognize this, and you may not be aware. Did you know that we have in the province of Alberta 357 municipalities? I know a question you're going to ask me is this: how many cities? Fifteen cities. How many towns? One hundred and ten towns. How many villages? I'll tell you how many villages: 103 villages. How many rural municipalities? Sixty-four counties and municipal districts. In addition, we have two specialized municipalities. Of course, as well as not only Fort McMurray and Strathcona and those specialized areas, we have special areas. I know the Deputy Premier is very aware of the specialized areas that fall into her area as well as the Attorney General's area.

So we have a total of 357 municipalities. Do you know how many mayors and Reeves that makes? Three hundred and fifty-seven. Do you know how many elected councillors and aldermen that makes? One thousand, nine hundred and forty-four elected officials. I would like to say, Mr. Chairman, that many of the people in this very Assembly started their political careers at the local government level. In fact, how many in here? Raise your hand if you in fact in some way, shape, or form were in there. I can see that the number that have put up their hands here is almost unanimous, which really tells me and convinces me that this government has a good understanding of local government, municipalities.

Now, with that, just to give you some insight into what makes up our \$133,703,000, from an expenditures perspective let's talk about the minister's expenditures: first of all, local government services, which is an important division of our ministry, as well as our public safety, as I mentioned earlier, and the Municipal Government Board. As we look at the revenues, we're going to generate about \$42.3 million. We'll receive about \$40 million from lottery revenues. To the hon. minister of lotteries, who is here tonight, I'd like to specifically say how much we appreciate the \$12 million to support financial assistance provided under our municipal sponsorship program. I would like to comment as well on the \$28 million that we use to support unconditional municipal grant programs. Unconditional means that we don't believe the province knows best where the money can be spent. We have trust in our elected municipal officials to determine how they best can serve that same taxpayer that we all serve here. As well, the remaining \$2.3 million, of course, also comes from lotteries, which is very important.

I would like to say, though, which I think is very important, that in our local government services program a number of key initiatives are made up, and in actual fact if you look in our local government services budget for the upcoming year, it's important to recognize that we have a budget of about \$106.7 million. I don't know if you're aware that that makes up over 82 and a half percent of the total grants that go directly to municipalities. I think it's important to recognize that in many ways we take that money that we get from within this Legislature and distribute it to municipalities in delivering local services, which I believe are so important. What I would like to do, though, is say that the six goals that I mentioned earlier are built around these four main areas: local government services, public sector and public safety, Municipal Government Board, and ministry support.

I would like to talk about some of the key initiatives in this upcoming year. We've worked very closely on roles, responsibili-

ties, and resources, which is the minister's council. The hon. Member for Calgary-Mountain View, the hon. Member for Edmonton-Rutherford, and the hon. Member for Whitecourt-St. Anne sit on the committee as well as the presidents of the AUMA and the AAMD and C as well as the mayors of Edmonton and Calgary and Economic Development.

I just want to talk about our municipal program and initiatives to improve the knowledge of elected officials and administrators by working in partnership with the University of Alberta. As you often have heard, it's said that in politics we don't have to be smart; we just have to be popular every three or four years. But we know differently, and that's why we have this excellence program with the University of Alberta. Often I've heard from many local officials that it's the city managers and the administrators that are supposed to be the smart people, that we just have to be popular, and that's simply not true. We have elected officials, mayors and reeves and councillors, that are running multimillion-dollar organizations, serving the public very well. Ultimately this partnership at the university with administration and the elected officials has been truly one of the key successes over the past year, and I'm very proud to say that. In fact, a former member of this Assembly, the dean of business today, Dr. Mike Percy, heads up this program and does a very good job relative to the municipal excellence program, and I want to say that it's indeed a pleasure working in partnership with the University of Alberta.

I want to also say that we have conducted some assessment audits of 89 municipalities this past year to help ensure that the properties are being assessed fairly and consistently and continue along that principle of fairness, updating the regulated rates of industrial properties to ensure that they reflect an appropriate relationship to the assessment of properties and market value. As you know, the province of Alberta utilizes market value, and that is very important relative to the growth that we're seeing take place in this province of Alberta, what we refer to as the Alberta advantage.

8:10

I want to say that under grants to municipalities, just to go back for a moment, of the \$87.5 million that is in our estimates, the major grant programs are the unconditional, the municipal debenture interest rebates program, the grants in place of taxes program, and also the municipal sponsorship program. I know that many of the members in this Assembly, in fact all members, have received notice of the sponsorship program, that helps well. I see that the hon. Member for Lac La Biche-St. Paul is here. In speaking with both him and the reeve and the affected municipalities, he recognized just recently in fact one of those sponsorship grants that has helped his municipality and how pleased they are.

I want to also say that financial support to local authorities has been reallocated this year. About a \$900,000 increase, just under a million dollars, will assist municipalities to continue to facilitate dispute resolutions and improve their assessment systems. Now, to the hon. Member for Sherwood Park, who at one point, of course, held this ministry, I want to say that the dispute resolution that comes out today is such an important mediation process, that works so well in helping municipalities work with their neighbours. I want to also say that the hon. Member for Leduc, who was a key architect of that program, as a former reeve indeed played a key role in working with our ministry.

I would also like to say that you can see up in the Speaker's gallery tonight all of my staff from Municipal Affairs, all the chairs that are up there. They are working so closely in partnership with our municipalities. I know the Deputy Premier is looking. In the Speaker's gallery are all my Municipal Affairs staff tonight, and I just want to thank them so very, very much.

The hon. Member for Leduc is very familiar with dispute resolution. He played a key role in terms of what we are doing and helped play a mediation role with municipalities. I want to say how important that is and continues to be as one of the highlights of our ministry in terms of dispute resolution that takes place.

Moving on just ever so briefly before I conclude, I want to say that the Municipal Government Board, as you know, accounts for about \$2.6 million of our ministry estimates. With these services that are rendered through the Municipal Government Board, I want you to know that the board has jurisdiction to decide property, linear, and equalized assessment appeals. Now, I know that many people get excited when they hear about linear, equalized, and property assessments.

Mrs. Nelson: Oh, yeah.

Mr. Boutilier: I hear the Minister of Finance just trying to control her enthusiasm tonight because of what that means. We've seen that reflected in the budget that was announced recently.

I want to also say that we deal with subdivision appeals. We deal with annexations and intermunicipal disputes, that I mentioned earlier. It continues to provide an independent appeal system that issues high-quality, impartial, and timely decisions.

Let me just conclude relative to our ministry support services. The last area of the ministry that I want to touch on briefly is the ministry support. This deals with and provides the local government services and public safety divisions with legal, financial, and information technology, communications, human resources, business, and administration support. This area accounts for about \$10.7 million including these types of areas that are very invaluable within the ministry. Now, this increase, again, this year in terms of some of the areas I mentioned makes up a total of \$133,700,000.

In our whole scheme of dealing with, as I mentioned, just under 2,000 elected officials, I believe that Municipal Affairs has a very good game plan. We work closely in partnership with our municipal partners, and at the end of the day we want to build on the successes of our past year. I am certainly prepared at this time to answer any questions that may arise from our discussions tonight.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I'd like to thank the minister for his opening remarks as well as the department here tonight who are certainly here to answer questions or provide further detail to our questions and queries. We all realize, particularly after the introductory comments by the minister, how very important this ministry is because it is the ministry that provides a direct link to municipal government. In the order of government municipal government is the level of government that has a direct influence on the day-to-day operations of our towns, villages, and cities as well as the level of government that influences people on a daily basis. I was also very impressed with the comments by the minister in commending these people for a job well done, and they certainly do a great job. It's easy to see why they do have the confidence of the minister.

When we look at the mandate for the Ministry of Municipal Affairs, two very important bullets are under the mandate, and that is "to ensure Albertans live in safe and sustainable communities," and the second bullet is to ensure Albertans "are served by open, effective, accountable and well-managed local governments." Having attended various conventions of the AAMD and C and the AUMA, I can certainly say that at that level these people work very,

very hard to fulfill this particular bullet.

Under the core business plans of the ministry from 2001 to 2004 there are three core businesses that are described: the local government services, providing support services, policies, and legislation to assist the local government sector; safety services, including fire protection, which is administering a safety system that provides uniform application of safety standards throughout the province; and, finally, disaster services, managing provincial disaster planning and recovery programs and supporting municipalities to ensure their preparedness to deal with major emergencies and disasters. This is one of the areas that was identified by the Auditor General and I think one of those areas, Mr. Chairman, that was taken very seriously. From all I've heard and seen of these plans, they are second to none in North America. So it was a challenge that was put forth. There was a shortfall and, in my estimation, one that has been met and met well.

In looking at the strategic priorities of the ministry, we certainly look at roles, responsibilities, and resources, and of course that's been referred to as the three Rs and fits in very well with the minister's provincial/municipal council on the three Rs in the 21st century. Emergency management; partnerships; codes and standards; growth, smart growth and growth pressures. Of course, this last strategic priority is a challenge for Alberta particularly in this period of strong economic growth, and while we do have many people moving into the province to seek employment, we certainly don't have the infrastructure to fulfill all of their needs, so it does place a tremendous pressure on municipalities to provide for these people.

In looking at the highlights of the budget, I see that there is a reduction of \$28.8 million over last year. One of the things that does draw some concern when we have a reduction of this amount in the budget I think is outlined in a letter that I received from Mayor Bill Smith of the city of Edmonton dated March 20, 2003, and he is referring, of course, to the document on the working relationship agreement between the minister's provincial/municipal council. In it he refers to:

This document represented a milestone in provincial/municipal relations and clearly establishing Alberta as leaders nationally in acknowledging the critical need to address the financial crisis facing Canadian municipalities.

Certainly, I don't think there's any other region in the country, Mr. Chairman, that is facing these great challenges. So one of the questions I'd like the minister to expound upon when he gets a chance to reply is: exactly how are you addressing this shortfall in funding for municipalities?

8:20

As well, along the same lines it was said recently by the chief of police, Bob Wasylyshen, that the city of Edmonton is currently providing somewhere in the neighbourhood of \$13 million to \$14 million worth of police work that really is for the province and not the city of Edmonton. He certainly wanted to look at the possibility of the province paying their fair share of the policing responsibilities that they are doing on behalf of the province. If Edmonton has this need, then I think that Calgary would probably also have a very similar need.

Now, as well, looking at other issues that do involve our AUMA, I also received a letter from Mayor George Rogers, the president of AUMA. In the letter he goes on to say that the AUMA "is concerned with the principle of allowing private business to borrow out of the same pool of money earmarked for public municipal institutions." If the minister could please just enlighten us as to whether this is an issue that has been rectified or if he could let us know if in

fact private business is going to be able to borrow out of the same pool of money that is earmarked for public municipal institutions.

As well, I notice in the budget under highlights that we have an increase in full-time equivalent employees, rising from 311 to 319. Does the minister have an explanation for this increase, particularly when we are looking at a decrease of \$28.8 million? I also notice under highlights that the amount of money in different municipal granting programs is changing but in total remains approximately the same, and particularly with the growth that we've experienced in the province, I would have expected this amount to increase.

As I mentioned earlier, the economic growth in the province has been immense, and where in some respects it certainly is a great advantage to the province, it does put a tremendous strain on municipalities and particularly, I think, in fitting in with the bullet under the mandate that ensures that "Albertans live in safe and sustainable communities."

I was quite interested to see in the news today that two of the people that were involved with running the water plant in Walkerton were charged because of the events that took place there. It was brought to my attention that a community in southern Alberta, Bragg Creek, has had a tremendous increase in population. They've gone from about 200 to a thousand families, and they find themselves in a similar situation to what Cochrane was a few years ago in that they don't have any type of water treatment or sewage plant, and they rely on their wells for their water. Some of the figures that have been mentioned to me are that at least 60 percent of the wells in this area are contaminated. So it is a huge issue because Bragg Creek does have a very close proximity to the Elbow River, which, of course, is upstream from Calgary. Their concern is that they desperately require a water treatment and sewage plant to rectify the problem that they're experiencing where a number of their wells are being contaminated.

Another area that brings a lot of concern is the great increase in costs of utilities that are faced by our municipalities. I was reading through a handout today, and it was quite explicit as to what the requirements are. As part of the AUMA they designed a program called MEET, which is the municipal energy efficiency trust. Certainly, it's a great program that's going to address the problem of the high cost of utilities to our municipalities. As well, one of the great outcomes of this program is a reduction in the amount of greenhouse gases that are escaping into the atmosphere. So, actually, just an excellent program. In reading through their information, approximately 50 percent of the costs for municipalities is for water and sewage collection, treatment, and distribution. That's extremely high.

As well, recreation centres use approximately 15 percent of the electrical load. In speaking with the mayor of Leduc, he was indicating how their curling club, which built a beautiful facility – and their mortgage was backed by the city of Leduc – was looking at either paying their utility bills or their mortgage. That's the sort of situation they were put in. So I know they will certainly be looking at this program, but whether it is enough to keep that facility afloat, I don't know. I know that if they're facing this in Leduc, they're facing it all over. I know, for example, that the increase in running our twin arena over the course of the year was somewhere in the neighbourhood of \$61,000. So it is huge.

Another high usage of the electrical load is streetlights, again required to keep our communities safe, and 20 percent of the electrical load is going to the lighting of our streets and communities. I know they've instituted a number of programs in trying to deal with this particular situation. It is huge for municipalities.

One of the questions in their handout was, "Where does the money come from?" They talk about the Alberta Municipal

Financing Corporation, and they indicate that it does have a surplus, and it was developed through interest payments that municipalities have made on debt repayment. So what they were looking at was to use the surplus of this, but as well what they were looking at was what sort of assistance they can expect from the department to also assist them in these costs because they are huge. So when looking at ways that we can make these facilities much more cost efficient, of course, there are many; for example, low E ceilings for ice rinks, dehumidification of ice rinks, and the list goes on. Some of the more expensive ones are lighting refits and chiller controls, and when you're looking at the cost of a chiller, for example, for a twin ice arena - and we happen to be installing one right now - you're looking at \$81,000.

8:30

The Deputy Chair: I regret to interject, hon. Member for Edmonton-Glengarry; however, the noise level is fairly high. Hon. members, the Member for Edmonton-Glengarry has the floor. I'd hope that you'd respect his privilege to speak at this time.

Hon. Member for Edmonton-Glengarry, you may proceed.

Mr. Bonner: Thank you, Mr. Chairman. What I'd like to do now in the remaining time I have in this particular session is to start to deal with the business plan of the ministry. On page 312 of the business plan it indicates that the ministry will be facing a number of new challenges. What I would like the minister to do is certainly to outline to the members here what those new challenges are. If he could also indicate what is dedicated to meeting these new challenges in the budget.

Also on page 312 of the business plans the plans say that it is important "to clarify the roles, responsibilities and resource commitments of all orders of government," but it seems that the province has stopped this exact initiative in its tracks by refusing to sign the working agreement on roles, responsibilities, and resources. I know we've had an extensive discussion about this in question period. As well, there is a fiscal framework here, and I know that the cities, which we all I think agree are cash strapped, would like this agreement signed. I think they are looking for more dollars because their opportunities to fund their needs are much more limited than what we have here.

As well, I'd like to ask the minister: what is the ministry doing to help municipalities that face immense growth pressures and need dollars for new infrastructure and the repair and replacement of existing infrastructure? I know that he will have firsthand information on this because for the past decade Fort McMurray has been growing in leaps and bounds, and certainly I look forward to hearing his comments on how we are going to address these needs not only for that region of the province but all regions, the Bragg Creeks and the Grande Prairies and even the cities of Edmonton and Calgary and all the others.

Now, again, looking at the mandate where certainly a goal was strong and safe communities, there have been a number of complaints, especially from the Calgary chief of police - also, I mentioned earlier the chief of police from Edmonton - that municipal police forces don't have the resources to cope with biological, chemical, or nuclear attack. I know that as part of the disaster plan certainly these issues would have been raised. If the minister could please let us know what he's doing to increase the resources municipal police forces have to deal with chemical, biological, and nuclear threats.

Now, as well, on page 314 of the business plan it indicates that there was consultation between jurisdictions and that this is very important to the ministry. So if the minister could explain why extensive consultations were not done with municipalities on the

change to the Municipal Financing Corporation that came before this House in a bill this spring - and, again, I've mentioned that earlier - particularly from the standpoint of the president of the AUMA.

As well, I know that when the minister was back in municipal politics, he certainly did a great job in getting municipalities to co-operate. If you could indicate what strategies are being used now and what will be in the future in order to get our municipalities to co-operate and stretch that dwindling tax dollar even more and more.

My final question will be: what development and co-ordination of education and information services is the ministry planning for this year, what initiatives has the ministry taken in this area in the past, and how successful were these initiatives?

So with those questions and comments, Mr. Chairman, I'll take my chair and certainly listen to the questions of others. Thank you.

The Deputy Chair: Hon. members, before I recognize the minister, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

The Deputy Chair: The Minister of Justice.

Mr. Hancock: Thank you, Mr. Speaker. It gives me great pleasure to rise in the House tonight to introduce to you and through you to members of the Assembly the 101st Scout troop from south Edmonton. There are nine Scouts here to learn about citizenship, and they're accompanied by their Scout leaders Gerald Kastendik, Nolan Steed, and Andy Muñoz. I might mention that Nolan Steed works in the Department of Justice and does a very fine job for the citizens of Alberta and is very qualified to teach citizenship to Scouts. I'd like you to rise and receive the traditional warm welcome of the Assembly.

head: **Main Estimates 2003-04**

Municipal Affairs (continued)

The Deputy Chair: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you very much, Mr. Chairman. I thank the hon. member for some very good questions, which I would like to address in reverse order.

First of all, he was asking about some of the initiatives, and I appreciate him asking that. I want to just ever so quickly talk about our muni university, which I covered, dealing with administrators and elected officials, also our municipal excellence program, which we deal with at both the AUMA as well as the AAMD and C. I want to say that the municipal excellence program has been something that we're so very pleased with. At the conventions, which I know the hon. member as well as other members attend, what we do is talk about best practices, and we demonstrate to other municipalities the best practices that are taking place. I want to say that it certainly has been a very positive initiative. As well, I would like to say that we're investing considerable money this year in subdivision as well as development appeal and assessment review panels, which I also think are very important initiatives. So I want to say that I'm very pleased with the work that we're doing in partnership with the AUMA as well as the AAMD and C.

Now, what I would like to do, though, in terms of talking about key strategies is to talk just every so briefly about what some of our key strategies are relative to an effective, responsive, and co-operative well-managed local government sector. I want to say that

we are in our key strategies this year continuing to encourage municipalities to cooperate with their neighbours to develop, finance and implement improved growth management and more [effective and] efficient service delivery systems.

I also want to say that we're going to be continuing to promote the self-evaluation of excellence to assist municipalities and citizens in developing innovative strategies for more effective governance, administration, financial management, and service delivery [systems],

also of course maintaining a program to recognize this municipal excellence that the hon. member had asked about.

We want to continue to

work with municipalities to establish effective and efficient regional partnerships that create an atmosphere to attract and retain investment, compete globally, and contribute to a high quality of life.

Also, developing and co-ordinating "education and information services that include training programs, job exchanges, on-line information, and workshops for local elected officials," that I mentioned, with one example being the muni university. I also want to say that we continue to provide management and administrative services, as I mentioned earlier, to our special areas but also in the national park improvement district areas, which I think is very important.

As well, we're going to continue to pursue the resolution of local and intermunicipal governance and management issues through strategies this upcoming year. Relative to a co-ordinated provincial government approach in dealing with municipalities, I mentioned earlier our roles, responsibilities, and resources and also a legislative framework that's going to enable municipalities to operate successfully and meet the local needs of Albertans.

8:40

In some of the other I think very good questions that the hon. Member for Edmonton-Glengarry has asked, he talked about the issue of safety. This past year I'm very pleased to say that we have been able to put just under a half a million dollars to deal with some of the radiological, biological, and nuclear issues, and they're going to be going to what we call seven regional hubs, where that money is going to specifically the bigger centres like Edmonton and Calgary but also dealing with Medicine Hat, Lethbridge, Grande Prairie, Red Deer, as well as the greater Edmonton area, the capital region, as well as the Wood Buffalo area. These are the seven regional hubs that we have, and I'm pleased to say that this new initiative this year has been received very positively by the municipalities.

Now, if I could just for a moment go back to the issue that the hon. Member for Edmonton-Glengarry mentioned relative to MEET, I want to say that it really speaks well of the initiatives of the AUMA, the AAMD and C, and our ministry. They have come forward with a program, and you've read about it just recently. I want to say that I take my hat off to their initiative. We're working with them, but we're just starting this program on how we can build on energy efficiency, and what I have always said is that it makes good sense and good cents. That's something that we are pursuing, and I want to say to the hon. member that it's a very positive initiative.

I know that we've got the attention of the Minister of Finance in our meeting that we've had, and we'll be pursuing that actively, and over the months to come I think that you're going to be hearing more of that. It has to go through the process within our internal workings of government, and I want to say that we're going to continue to pursue this actively, and I want to say that as minister I certainly intend to do that as well.

Three of the last questions that the hon. member brought up were

on the issue of wastewater. The member may not be aware, but the wastewater program we're pursuing under private sewage systems is a high priority. The hon. member mentioned Walkerton this past year and the situation in Ontario. He mentioned the issue of Bragg Creek, and that is something that we're working very closely with. He may not be aware that we have provided almost a half a million dollars this year to the wastewater association in dealing with the issue of private sewage systems, which I believe are very important.

Dealing with the Alberta finance corporation board, which is under the purview of the Minister of Finance, I mentioned earlier that as we go forward – the shareholders of the Alberta finance corporation board, you may not be aware, are made up of school board shareholders as well as municipalities representing AUMA. I want to also say that my deputy minister also sits on that important Alberta Municipal Financing Corporation board, which I think is very important in helping municipalities. They borrow money at low interest and ultimately benefit substantially, be it municipalities or school boards, and I want to say that that board is certainly one of a kind. It's certainly a model that other provinces are trying to model.

Let me conclude to the hon. member. In his final questions he asked about the fact that there's about a \$30 million difference from last year, and I'm glad he recognized that. I would like to say that the \$30 million difference essentially is made up of about \$20 million, which were onetime, be it fire or floods, which were dealt with in the supplemental estimates, and as well \$10 million, which is dealing with the underground petroleum program. You may not be aware, but the underground petroleum tank program – I see the Minister of Energy. At the time, I know that he was the Minister of Labour when in fact he came forward to the standing policy committee, which is, again, a committee . . .

Mr. Smith: August body.

Mr. Boutilier: It is certainly a one-of-a-kind program in Canada.

I want to say to the hon. member that in the difference of about \$30 million, \$10 million is for the underground petroleum and almost \$20 million is dealing with the flooding and forest fires that we dealt with. So that really hopefully provides some insight into the difference of the 160-some million dollars versus the \$133 million. It was those onetime events that we dealt with last year that we dealt with during supplemental estimates.

With that, I'll take my seat, and I thank the hon. member for some very good questions.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to participate in the estimates debate this evening for the Department of Municipal Affairs. Certainly I, too, am disappointed that there doesn't seem to be much apparent new help for some of the cash-strapped municipalities in this province. There is a lot of information certainly within the documents that have been presented in the budget for the Department of Municipal Affairs, but there seems to be a lot of contradictions in this department from one year to the next.

When we see that there has been a reduction of \$28.8 million in spending, one would only wonder if all that money, that reduction, comes from the fact that the department is no longer going to have to organize the election of regional health authority members. Certainly, we go back one year, and incredibly this department, with a legislative framework that "enables municipalities to operate successfully and meet the local needs of Albertans" – and in this

case we're talking about bringing democracy – was responsible for bringing democracy to the election of regional health authority members from across the province. Now, incredibly, through their efforts it was seen fit that this initiative would win a silver Premier's award of excellence for 2002, and then we canceled the results of the election. This is not, in my view, very democratic. I'm sorry. This is incredible.

There were 118 regional health authority members elected and only eight seats were acclaimed, for a total of 126 seats. The department stated – and they seemed to be quite proud of this – that there were no court challenges to the results or to the process, and I suppose that's a significant achievement, but they didn't wait long for the results to be analyzed before the election was canceled. I find this incredible. You know, we all talk about the democratic deficiencies in this province. Certainly, one of the leading newspapers in the province recognized that in an editorial this weekend, and to think that one department last year, Municipal Affairs, got the Premier's award of excellence, the silver award – I can't imagine what the gold one would be for. That would be like wiping out the entire appointments I suppose. The silver Premier's award of excellence for 2002 went to this department, and then all that work went for nothing, because the democratic wishes of the citizens were ignored by, unbelievable to this member, a democratically elected government.

Now, how much of this money was wasted? It's obviously wasted if we canceled the election. How much did this election cost, and what percentage of that \$28 million is it? That would certainly be my first question.

I'm going to jump from democratic elections to sand and gravel. I find it incredible that the year before the election there seems to have been a significant price spike not only in electricity and not only in natural gas but in sand and gravel. If the hon. minister could please direct me to where I could find the information on the revenue that's raised for the special areas trust accounts in this budget – I have an idea where they are, but I'm not sure – I would be quite interested. Why is there such a variation in revenue between one year and the next? In fact, I'm going to be very anxious to receive that information.

8:50

On page 293, Mr. Chairman, of the government and lottery fund estimates I think I'll start with the deputy minister's office, reference element 1.0.2. Now, how confident is the minister in that estimate of close to half a million dollars to run the deputy minister's office when the year before there was an overexpenditure of \$122,000? What is being done to ensure that we're not going to run over budget this year, as there was according to my research last year? You know, there have been problems certainly in other ministers' departments, and I want to know what this hon. minister is doing to ensure that those problems are isolated.

Now, in support services, the next operating expense, could I please have a breakdown of operating expenses and capital investment for that \$9.9 million estimate?

At this time I have some questions in regard to the Auditor General's report. I had a briefing from the hon. minister at Public Accounts recently. Certainly, the Auditor General in the last report, the annual report for 2002, noted that there were three main problems in the ministry. "Significant deficiencies in the capabilities of the Government Emergency Operation Centre": there was quite a discussion on that at Public Accounts. Another area of concern that was identified was that provincial departments had not prepared adequate emergency plans. There seemed to be some inconsistencies with cross-departmental co-ordination. If the

minister could for the record just briefly explain to the House the progress that's been made. Also, the Auditor General identified that "controls to ensure consistency in review and testing of municipal plans by the Disaster Services Branch are lacking." What steps are being made to improve this? When can we expect to have these deficiencies corrected?

Now, the minister has a council. There are a lot of committees and councils. You almost need a military style map to keep the councils and committees of this government on track. The Minister's Council on Roles, Responsibilities and Resources in the 21st Century was struck in 2001.

An Hon. Member: An excellent council. Excellent.

Mr. MacDonald: I understand that it's an excellent council. I can only imagine that the hon. Member for Edmonton-Rutherford would be the chair of that. I'm just taking a guess. But what has the council done so far? When can we expect the results? What will these results include? What is the council's mandate, and where could an individual taxpayer in this province find out more if they were interested? When will the new rule changes allow the Alberta Capital Finance Authority to lend to private institutions, and why were some large municipality stakeholders not consulted on the changes to the Alberta Capital Finance Authority?

Now, another question I have for the minister at this time is: what is the ministry doing to represent municipalities' interests better to other departments within the provincial government, and are there any specific programs in place, and when will there be these programs? Finally, in regard to these issues, what guarantees are there that grants get disbursed to municipalities on a fair and equitable basis? Is there any statement of principle or intent that ensures that all municipalities are treated equally?

Mr. Chairman, I also have some questions from the business plans, and I don't want to get into any detail on the pine shake disaster or fiasco. We talked about that in this Assembly last week, I believe. The delegated administrative organization process that was devised, the dangerous arm's-length organizations that they are – and certainly when we consider the administration of the Safety Codes Act, we need an update from the department on just exactly how the administration of the Safety Codes Act is working out.

We are building homes at a record pace in this province, and some consumers are complaining. Inspections are inadequate. The building code, they feel, is being ignored, and some of these homes are in the \$200,000 to \$300,000 range. We have condos springing up here in this city, and I talked to the hon. Member for Medicine Hat earlier before question period, and one of the problems in Medicine Hat is that they can't get enough serviced lots. Across this province we need to ensure that when people either put their money down or apply for a mortgage to buy a home, whether it's a single-family dwelling or a condo or whatever they're buying, it is built to standard. Is the Safety Codes Act working in the minister's opinion to ensure that those home buyers are getting everything that they are promised? There are a couple of specific issues that perhaps may come up later on in debate, but I get complaints to my constituency office all the time particularly in regard to condos. Consumers now feel ripped off because they feel the inspection process is failing. How is this working?

Who is looking after – I believe it's Municipal Affairs, but I'm not sure these days – the records in regard to the asbestos abatement programs that used to be a part of the Safety Codes Act? Now, I don't know where they are these days, and if I don't know, that means a lot of consumers and a lot of people who work in public buildings also probably don't know either. I would be very grateful for that information if the minister could provide it at this time.

With those questions, I will cede the floor to the hon. minister.

Thanks.

9:00

The Deputy Chair: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Yeah. Thank you very much, and I thank the hon. member for the good questions. Relative to the asbestos you may not be aware – but I'll refresh that – that actually it does fall under HR and E in dealing with the issue of asbestos. I'm going to try to go backwards again.

Thank you for recognizing the Safety Codes Act and the major review we did back in '95. The hon. member may not be aware; we just actually completed a safety review. It's been now over seven years, and we thought it was very important to review what it is we're doing well, and in actual fact over the last year the members would have had a copy of the safety review, of what it was that the stakeholders have said. We consulted with over 1,500 Albertans and municipal associations as well as building codes and people that are involved, the Home Builders' Association. They were all part of the safety review, and I'm very pleased to be able to report back to this Assembly the positive comments that have come back on what we are doing right. I want to say that we have always taken the approach, certainly in how I run my life, both my family and I, that we have an attitude that we can always do better. That's why we're doing the review, and I'm very pleased to say that the important initiative that the safety review has done in consultation with the 1,500 stakeholders has been confirmed.

Now, I would like to also go back to the issue of EOC. The hon. member mentioned that the Auditor General talked about some improvements and, yes, absolutely so. We all are aware that since September 11 the world has changed, but I'm very pleased, and I want to invite the hon. member and other members of this Assembly to the official opening of our new Emergency Operations Centre that will be taking place this summer, and that was on the recommendation of the Auditor General. It's going to be taking place in an existing structure with the Minister of Infrastructure. We have a new building. In fact, we're going to be relocating 36 members of the Municipal Affairs staff from Commerce Place in downtown Edmonton to the new operations centre, where they're going to be all the time. I think it's an important initiative. It's going to be actually located in the west end of Edmonton. Sorry to the hon. member, the Attorney General, but it's not located in his constituency. In fact, it may actually be in the constituency of the hon. member across the way, but maybe not as well. Certainly, the point is that the Emergency Operations Centre as a forum of Emergency Management Alberta I think is an important new initiative, and I'm going to invite all members of this Assembly to tour the new facility when it is complete. In fact, right now the Ministry of Infrastructure is dealing with the renovations to relocate the 36 members from the old existing Commerce Place to the new operations centre, which used to be called GEOC, which will now be referred to as Emergency Operations Centre.

I would also like to indicate on the topic of Emergency Management Alberta. As you know, we were once called disaster services, and as you may not be aware, I didn't like my wife when she used to say that I was the minister of disasters. So in working closely with our stakeholders, we have decided that the new name, the appropriate name, is Emergency Management Alberta, referred to as EMA. In fact, EMA really talks about planning for, responding to, and recovering from any potential emergency. You may not be aware, but in fact in my own constituency today we had just learned relative to the river about the flooding that potentially can take place.

I'm pleased to say that the operations centre called me today, that up in both the Peace River area and the Athabasca River area things are in fact beginning to take the course that nature provides, but we certainly have been prepared. We are prepared to respond to and recover from any type of disaster that may happen.

Just for the hon. member's information we actually have an increase this year in the Emergency Operations Centre. The EMA branch management program is going up essentially by about \$476,000. I'm pleased to say that this program will ensure that Albertans' communities are prepared to respond to and recover from any potential disasters but also to deal with major emergencies and disasters.

Dealing with terrorist threats. We work very closely with the Solicitor General's office. As you know, the Premier was the only Premier in Canada who implemented a security team just less than 24 hours after September 11 took place. Certainly, the EMA, as I refer to it now, Emergency Management Alberta, is working very closely with that. I'm very proud to say that I invite members of the Assembly to attend the opening when it takes place later on this summer.

The hon. member, as I see he looks my way, asked the question about the mandate of roles, responsibilities, and resources, and I want to share with him what his leader actually shared with me. This is publicly quoted. In fact, it came up in the House the other day. This is from the hon. Leader of the Official Opposition, and I quote: the mandate this council will do will be in trying to redefine the roles and responsibilities of two orders of government and working on a mechanism for resolving disagreements that may arise; this is a good mandate. Please pass on to the hon. Leader of the Official Opposition that I'm so pleased that he shared in our enthusiasm of our mandate, and I'm so pleased that I was able to read that from the hon. member when, in fact, he stated that. That was back actually about six months ago that he made that comment, and I'm very appreciative of that, and I appreciate the question in recognizing that.

Relative to special places you may not be aware, but that is not reflected in the department budget. That is actually an own-source revenue because the property tax that they generate in special areas actually cover the budget. That's why it's not reflected in our department budget, so I want you also to be aware of that.

Regarding the elections, I can say that the elections in the province of Alberta run smoothly, efficiently, and effectively. Obviously, they do. I see from all the members in this House today how effectively the elections do run. To the hon. member: I know how pleased he is of the fact he's sitting there because obviously it's demonstrating the effectiveness of elections in Alberta.

Dealing with what is fair and equitable, well, obviously that is somewhat of a subjective evaluation, but let me best describe Municipal Affairs in this way: in the unconditional and conditional grant programs we have never received complaints about the fairness in equity. Okay? I think that's a very good guide. Over the last eight years it hasn't risen, but clearly the fact of how we administer an evaluation of our grant mechanism is something that I think is fair to every one of the 1,944 elected officials that we do deal with in delivering good, local, effective government services.

Just looking at other questions. I mentioned the safety review. Actually, I've answered all the questions that were posed to me. So with that, I'll take my seat.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I appreciate the opportunity to ask a few questions as we look at the estimates for the

Municipal Affairs budget. If I might, I'd like to start on page 292 I guess it is. I'm sorry that I missed part of the minister's introductory remarks, but I'm going to pose the questions anyhow. Will the minister explain exactly what the onetime costs of the 2002-2003 disaster recovery program were which will not be incurred this year? I think that, according to a press release that we had, this accounts for the spending decrease of this year from last. I wonder if we might have a bit of an explanation in terms of what's not going to be recovered or incurred this year.

Can the minister table the document explaining each of the lines in the budget, including which programs exactly fall under each line with respect to the costs? I'm referring to the line items on page 292. I guess all we're asking for is a better explanation of what those line items entail.

On the ministry's support services on page 293 the operation expense of support services is going up from \$9,453,000 to \$9,992,000. What is that extra money going to be used for? Could we have, again, an explanation?

9:10

There's an item for \$287,000 in the minister's budget. Again, might we have an explanation as to the salaries for the positions that are included there and the bonuses? Could we have some information about the traveling and hosting expenses and advertising that would be included in that item? I may be remiss because I haven't checked to see if the ministry's annual report actually includes that full-time equivalent information. I know that I've checked some of the other annual reports, and they're very detailed. They save that kind of detail for their annual report and don't include it in the budget. I apologize if that information is already available in the minister's annual report.

Can you indicate what is the breakdown of the \$487,000 deputy minister's budget, again, by the kind of detail that we find in some of the other annual reports? The salaries for each position, the bonuses, the travel and hosting expenses, and advertising.

Under local government services why is the division receiving \$600,000 more this year than last? Do we have a list of the new programs that are being put in place as a result of these funds or that these funds are dedicated to?

Why is municipal services receiving \$700,000 more? What does that \$700,000 include? What programs will this be used to support? I guess the other question is: are there actually new programs, or is this just further support for continuing programs?

Why is assessment services receiving \$387,000, 6 and a half percent more than it received last year? I guess the basic question is: why does assessment require more money than a simple inflation-level increase?

On page 294 of the estimates it shows that there's going to be \$1.1 million less for unconditional municipal grants this year. Can the minister explain that? Why is the government increasing the financial pressure on municipalities when many of them are in financial difficulties? This seems to be a reduction in the amount of grants there to receive. Or is there a balancing off in the budget that goes against that item?

If I can ask: what safeguards are in place to ensure that all municipalities receive a fair share of the grant money? Does this money from this fund constitute a blank cheque to municipalities to do as they please? You know, if that's the case, are there any accountability measures in place to make sure that the money is best spent in the interests of Albertans?

Another question: why will municipal debenture interest rebates be receiving \$2 million less this year than last? I think I know the answer to that, but I'd be interested in hearing from the minister.

Under financial support for local authorities it's receiving \$900,000 more than last year. Again, where's the money going? What's it going to be used for? What distinguishes this program from unconditional municipal grants and municipal sponsorship? Again, municipal sponsorship is receiving a million dollars more than last year. Where is the extra million going?

The equipment/inventory purchases division support is receiving close to half a million dollars more than it did last year. It seems like quite a bit, and there must be a reason. I wonder if the minister could explain that increase.

Under safety services and fire protection it shows that program management will receive \$200,000 less than it used last year, almost a 40 percent reduction. What accounts for such a large proportional decrease? I guess that the ultimate question is: is this going to have an effect on the service level of safety and fire protection services in the province? Under safety services and fire protection it shows that technical services will receive nearly half a million dollars more than it used last year, a 25 percent increase. Again, can we have some information on why technical services require so much more than the previous year's allocation? Why did technical services use so much less money, \$383,000, than it was budgeted last year? What's the explanation for that?

Another question: why are underground petroleum storage tanks receiving no funding this year when they received more than \$10 million last year? We have some information on that. Again I think I know the explanation, but I'd be interested in hearing from the minister. Is that program over? Has the job been completed? Nothing was budgeted for the underground petroleum storage tanks program last year, but more than \$10 million ended up being spent. Is there going to be an unexpected expenditure later this year, as was the case last year? Again, going back to the previous question, how many tanks are still out there waiting for the next round to come so they can be cleaned up? Just what is the state of the cleanup?

Under Emergency Management Alberta, branch management and programs will receive \$700,000 less, almost a 20 percent decrease. Why is this line item getting less than it needed last year? Why did branch management programs go over budget last year by, if I'm reading the figures right, \$1.3 million? Disaster recovery is receiving \$19 million less, 98 percent less than it used last year. Will this line item really need \$19 million less this year? What are the specific cost breakdowns of these extra projects or programs? Why is disaster recovery budgeted for \$500,000 less than it was budgeted for last year? What is the reason for that decrease?

Under the Municipal Government Board what is the current backlog of cases for the Municipal Government Board? Why are transfers from the federal government for 2003-2004 being reduced by nearly \$8.3 million to next to nothing?

A couple of last questions, I guess, Mr. Chairman. What is the reason that the refunds of expense are anticipated to go up \$240,000 in 2003-2004? The last question. The full-time equivalents are going up from 311 to 319, certainly not a large increase. What is the reason for the staffing increase?

So I think that with those questions, Mr. Chairman, I'll conclude. Thank you.

The Deputy Chair: The hon. Minister of Municipal Affairs.

9:20

Mr. Boutilier: Thank you, Mr. Chairman. First of all, I'd like to go in descending order back to the questions that the hon. member asked, and they were very good questions. I want to again compliment him.

First of all, I would like to say that, as you know, I talked in my

opening comments about the Municipal Government Board. You may not be aware that last year the board completed all the backlog of property appeals for the years prior to 2002 with the exception of a few cases that are primarily delayed due to pending court decisions. The total number of appeals was down in 2002-03 from a high in 1999, but the numbers have remained level with the previous two years. The total number of hearings, to the hon. member – he may not be aware – have leveled off at about 700 a year, and the total hearings are higher than that peak of 1999. I would also like to say that the number of complex appeals is on the increase as well. Currently between 20 and 25 percent of our appeal hearings require significant financial and staff resources in preparing and conducting hearings and of course delivering decisions.

I would also like to say that the Municipal Government Board agreed to a \$100,000 reduction in each of the next three fiscal years. In the 2003 budget the MGB has included all of the staff salary increases and additional costs that are projected as a result of the order in council that was put through for board member honoraria. I would like to say that they are truly hardworking Albertans that are without question contributing to the Municipal Government Board. So I hope that addresses the questions on the MGB.

If I could just for a moment go back to the next question that the hon. member was asking relative to this issue of public safety, let me reiterate. At the very outset of his questions I know that the hon. Member for Edmonton-Glengarry did ask the original question, but just so you are aware, let me repeat that the onetime difference of almost \$28.8 million was one time, that specifically went towards forest fire and flooding relative to our situation over the past year. Also, about \$10 million was in fact for underground petroleum tanks that was included in our supplemental estimate, which makes up the \$28 million. So from the forest fires or flooding about \$18 million, and \$10 million was for the underground petroleum tanks. I wanted to share that with the hon. member as well.

In dealing with emergency disaster recovery, there is a decrease of about \$505,000 in this particular area, but the 2003-2004 estimates decrease is really due to the new accounting treatment of cost recovery revenue that's associated with federally funded programs. I also want you to be aware that during the west-central Alberta flood program last year it made up about \$19.1 million. Of course, God willing, this year we will not have to experience that type of natural phenomena that took place during the past year.

Also, if I could, the hon. member asked some very good questions relative to the increase in the estimates that are taking place in the EMA branch management programs. I think it's a very good question, but it's important to recognize that the increase in the estimates reflects the cost of the projected salary settlement increases and the addition of new employees for the crisis management program of course and branch support. As you know, the crisis management program did not receive budgetary funding from the time it was formed, and we have done some internal transfers and are providing this increase within our budget, I'm pleased to say, in light of the fact, as I mentioned, that the world has changed.

As well, dealing with the issue of underground petroleum tanks, I think I covered off the hon. member's question. Essentially, the \$10.7 million decrease is a result of the program being completed. I want to say to the hon. member: you may not be aware that the \$60 million that we originally provided covered just under a thousand sites, actually 931 sites, that were accepted into the program. The program, of course, now is being monitored and being administered under the Safety Codes Council. I want to say that clearly it continues to be a program one of a kind in Canada in the fact that we've dealt with the most serious sites in Alberta with just under a thousand, some 930, that in fact were remediated, I'm proud to say.

Also, dealing with a question that was asked, actually, on an increase in technical services, it's about 21 percent. Just so you are aware, the increase in the estimates on the forecast is primarily related to the litigation costs for the pine shakes that are being delayed into 2003-2004. So I wanted to have the hon. member be aware of that.

Again, on other questions dealing with a decrease of almost \$200,000 in program management. It makes up about 56.8 percent as a result of onetime expenditures for implementation of enhancements to the electronic permitting system. In addition to making the system more user friendly, these enhancements have increased the functionality of the system for municipalities in many areas such as preparation of automated on-site inspections. I want to say that, clearly, within the municipality and the quality management planning performance, that was requested by the Auditor General. I'm very pleased to say that this work is coming forward, and the Auditor General recognized it. We have acted on his recommendations and have moved forward, but I want to say that this was a onetime expenditure that took place in the 2002-2003 year.

Dealing with interest rebates just for a moment, the interest rebate program, as the hon. member I'm quite certain is very aware, deals with the municipal debenture interest. The reduction in the estimates is due to the high interest rate debentures being repaid at their term's end, and ultimately so few high-interest debentures that require this subsidy remained. I see the hon. member nodding. Despite this budget reduction, the municipalities are receiving everything they are entitled to under the program, and the reduction is solely the result of certain debentures expiring or at least being paid off. So I wanted the hon. member to be aware, and I appreciate the question, because it's a very good question as well.

Dealing with the issue of the unconditional municipal grants, I want to say that the almost \$2.4 million is ultimately – it may not be clear, and I would like to elaborate on it – restructuring of the grant. These grants are for actual restructuring costs, grants that may be provided to address critical infrastructure deficiencies in these communities. This component also included funding for the regional partnerships initiative, which contributes to establishing, expanding intermunicipal partnerships that involve shared services. So I would like to say that the ministry has decreased the estimates for the restructuring component to \$4.5 million from \$7 million, of which \$1 million has been redirected to the municipal sponsorship program and just under a million, about \$900,000, has been allocated to the financial support to the local authorities. About a hundred thousand has been actually allocated to the grants in place of taxes. So the ministry estimate is lower because fewer restructuring activities are expected in the 2003-2004 out-years. I appreciate the hon. member asking the question to provide some clear and articulate clarity to what you're asking.

There is an increase in municipal services, and that increase is essentially allowing for increased workforce in response to the subsidiary two union agreements and potential salary increases and also to provide for expenditures in support of the ministry's roles and responsibilities, that the hon. Member for Edmonton-Glengarry had mentioned earlier. I'm very pleased with the mandate, but essentially we're also going to continue forward to provide expenditures related to the extended support as well as what's called ESP, which is the extended support program, under the municipal infrastructure management, which is called the MIMS program, and also continue to provide for ongoing expenditures related to our municipal excellence program and the muni university. So that falls under municipal services.

Just continuing to go backward, I'm trying to get every question the hon. member has asked. Relative to the increase in municipal services dealing by comparison, in the 2003-2004 estimates we show an increase to allow a response to these types of initiatives. I want to say that this branch provides grants to municipalities that facilitate municipal restructuring, but it also monitors and recommends changes to municipal legislation. The branch also provided information and advisory services and continues to do a very good job in dealing with our municipal councillors, Reeves, mayors, and administrators and staff in order to strengthen Alberta's local governments in accordance with our ministry's mandate.

The hon. member, if I caught the question, talked about FTEs earlier, and I would like to just briefly for a moment give him a quick overview. In the estimates '03 and '04 under the comparison of the '02-03 budget and the '03-04 budget we're going to an increase of two FTEs in local government services, from 141.5 to 143.5. Under public safety we're moving from 103.4 to 109.4. I did mention earlier to the hon. member that we're opening a new operations centre. [interjections]

The Deputy Chair: Hon. members, if you want to laugh, you can take that noise outside the Chamber, please.

Mr. Boutilier: And we will continue to relocate 35 members from Commerce Place, that are now going to be in the new op centre on the west side of Edmonton in an existing Infrastructure building that actually used to belong to registries that we're now going to tap into to be our op center, which we refer to as operations centre. So we go from 103.4 to 109.4, an increase of six members in public safety.

As well, we are increasing the ministry support from 48.8 to 49, so .2 of our workforce. On the Municipal Government Board we're offering half a position. As we mentioned earlier, with the number of cases we have, we're going from 16.5 to 17. A total of 310 in the '02-03 year, which will go to 318.9, an increase of just under nine full-time equivalents in my ministry. So I would hopefully say that this answers the hon. member's questions relative to that.

Dealing with some of the other support services, the ministry support: if I wrote the question down correctly, you were asking about that. I would like to just talk about the minister's budget, an increase of about \$6,000, about 2.1 percent. Basically it is made up, of course, of components no different than what made up the previous year, so no significant increase there, and ultimately it makes up 2.1 percent. That hopefully will answer the hon. member's question relative to that.

I would also indicate if I could, which again I think is very important, in terms of the breakdown in the deputy minister's office – in fact let me go back just for a moment to the deputy minister's office. In terms of salary the total for the budget again is negligible. The breakdown of the \$487,000: \$142,000 is in wage and salary and also payment to contract employees, telephone and communications is \$16,000, \$6,400 in travel, \$6,500 in hosting – we deal with the AUMA convention and things like that as you are aware – and other, which makes up the total amount that is, of course, not much different than last year.

I'm just, again, trying to gather every question. On computer services a question was asked as well, again another good question. You were asking about what is happening with the computer services area. I would like to say that we have an increase of about 3.2 percent. It's about \$308,000. I can say that the majority of that \$308,000 is broken down, if I could, as follows. Under financial information and technology services, computer services is about \$185,000, which makes up the bulk. Business services makes up the difference, which is \$67,000. Human resources is about \$40,000.

And, actually, legal and communications are \$8,000 each. That makes up the \$308,000. The increase is due to some of our higher workforce costs as a result of potential salary settlements and increases related to information technology. That ultimately makes up essentially a large portion of that change. So hopefully that answers the member's question there.

Just three other points that were mentioned that I would like to address before I take my seat. One was on underground petroleum, but actually I think I've already answered the hon. member's question on underground petroleum.

At this time what I'll do is take my seat.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Yes. I just have one brief question at this time for the minister that I omitted when I was going through the business plans and recommendations from the Auditor General's report, and that concerns disaster services. I know that particularly after 9-11 we were rapped quite hard because of our disaster plans, and it seems that particularly in terms of this building here we went from perhaps maybe a little too lax security to a code red position. I know, Mr. Minister, that in the United States we've been hearing over the last couple of months how they have different levels of security, and I certainly would like the minister to clarify whether in fact our levels of security in this building are going to be reduced now that it seems that the threat of any terrorism is certainly greatly diminished from what it was over the past two years.

Thank you.

The Deputy Chair: The hon. minister.

Mr. Boutilier: Yes. Thank you very much. I know that to the many members that are participating in our budget estimates tonight, the security of this building is very important. As you know, it's under the purview of the Solicitor General, but I want to say that without question – and I understand from speaking with the Solicitor General that she had indicated that she is reviewing with the intelligence people and the police service and Alberta Justice – as you know, in Alberta we are not at any significant threat level. I indicate that one of the things we do enjoy in Alberta is our access to the Alberta Legislature. That's something that all Albertans are privileged with and without question enjoy that access. It's my understanding that the Solicitor General continues to monitor the situation, and that as the world continues to evolve, it's something that is never carved in stone. The Solicitor General, I do know, has made a commitment to this House as well that that is being reviewed, and at some point it is hoped that we'll be able to get back to what we all enjoyed many, many years ago in terms of what we know the world to be. So I thank the hon. member, and I do know that it's something that is of keen interest to the Solicitor General as well.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I want to say at the outset that I missed the minister's introductory remarks. Had I been in attendance at the time, I'm sure it would have spared me asking the minister some questions, but he will forgive me if I therefore ask some questions that he may have already addressed either in his initial introduction or in some of the questions that were posed to him by some other members on this side of the House in the last hour or so.

Let me first of all thank the minister for giving detailed answers. I was watching and listening to him as he was trying to address some

questions in the last little while and was pleased to see a minister pay attention to some detail with respect to the questions asked and then answer them.

9:40

I just want to start with making a reference to the business plans of the ministry. On pages 312 and 313 in the business plan I noticed that the ministry outlines its business plan, features its business plan setting, and then outlines some risks and challenges. One of those challenges that caught my attention in particular that's outlined here is the limits to growth. The statement related to limits to growth says that

the capacity of all orders of government and partners to deliver services to Albertans could be strained by increasing growth and bottlenecks to growth. Municipalities continue to face financial pressures for repair or replacement of existing infrastructure. Some municipal assessment bases are declining while others face rapid growth pressures. Municipalities continue to express concern that current funding levels and revenue sources may not be adequate to meet service or infrastructure demands.

So that's the first one. I think it's a fair statement, acknowledgment of some of the bottlenecks and challenges that the ministry faces. Obviously, once it's acknowledged that there are these challenges, then one looks for some attempts either in the budget or in other budget documents to see if any solutions are proposed or outlined in a plan, which could be a multiyear plan, in which to address that.

Now, those limits to growth parallel in an interesting way some of the observations that are made in the TD Economics Special Report of April 22, 2003.

The Deputy Chair: Hon. Member for Edmonton-Strathcona, I regret to interject here, but once again the noise level in this Assembly is very, very high. The hon. Member for Edmonton-Strathcona has the floor. Can you please kindly accord him the due courtesy to be able to speak.

The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I appreciate that. I was finding it hard to in fact communicate with the minister through both eye contact and through voice in watching other members engage in, I'm sure, interesting conversation, but it certainly was distracting. Thank you.

The Calgary-Edmonton Corridor report is the one that I'm referring to here for the minister's attention. On page 25 I read in the report challenge 4, that's mentioned there, urban sprawl. I think I don't need to go into what urban sprawl means. We have seen both the cities of Edmonton and Calgary grow outwards very rapidly, moving into former rural areas and taking over agricultural land and creating the need for new roads, new sewers, thereby creating tremendous new pressures on the cities to provide services associated with suburban growth.

The adverse impacts of the sprawl are outlined in this report quite clearly, and I want to just draw attention to some of them by reading from the report. It says that

the adverse impact of sprawl on a society is considerable. Because public transit is relatively expensive in low-density suburban areas, sprawl contributes to increased reliance on roads, worsening overall transit problems, and increased congestion and pollution.

Then it goes on to talk about how the urban density in Calgary and Edmonton compared to some other cities is quite low, including Ottawa, and how it puts new and very expensive pressures on the cities for providing the infrastructure needed for this kind of sprawl.

I want to ask the minister what his response is to this. He acknowledges himself in the business plan the challenges to growth

that cities face, and what he says is certainly supported strongly by the TD report. So the question is: where is the action plan that the minister can draw our attention to in his business plan or in the budget? In both documents there has to be some relationship with respect to how to address these challenges.

In the next section in the TD report on page 26 challenge 5 is "infrastructure bursting at the seams." Again, the report draws attention to the deteriorating condition of roads and crumbling sidewalks, and I can certainly speak to that with respect to my experience in my own neighbourhood in the city of Edmonton. Some of those are quite visible. The observation made by the author of this report is: "the need to build extends to virtually all types of infrastructure, including transit, water, waste water, bridges and buildings" et cetera. The author continues to say, "Unfortunately, there are few studies that estimate the overall investment required to rehabilitate the aging infrastructure and to support its growth." Mention is made there of Edmonton's investment of \$3.2 billion. Calgary's numbers are not available to the writer, so they're not mentioned.

I wonder if the ministry has such an estimate with respect to the infrastructure deficit that our municipalities are faced with given the investment in infrastructure over the last 10 years both in terms of its maintenance and additions to it and given both the growth in population and the urban sprawl around our cities and municipalities, what his department's estimate is and how the minister proposes to address that challenge. I'm trying to find some numbers here that would speak to that particular problem and challenge, but unfortunately I'm unsuccessful in finding any real commitment in terms of dollars and cents to that.

The author concludes that section on infrastructure bursting at the seams by drawing attention to the fact that

while the strains on the infrastructure foundation in the Corridor may be tolerable at the moment, the economic and social cost of not replacing the infrastructure will begin to mount quickly, weighing on the quality of life of the residents. An eroding transportation system and congestion could soon lead to costs in the hundreds of millions of dollars in lost time and impeded trade flows, not to mention an increasing toll on the health of the residents.

So there are several very important observations here that I wanted to draw the minister's attention to, observations that are made by the TD report with respect to what needs to be done, among other things, in the area of municipal development.

Without going through the several line items here in the budget document under programs, I would request the minister to perhaps address those, and then once I've heard the minister address those questions, I'll have a few others. Thank you.

9:50

The Deputy Chair: The hon. minister.

Mr. Boutillier: Yeah. Thank you very much, and I thank the hon. member for some very good questions as well relative to the Municipal Affairs budget estimates. I would like to first and foremost acknowledge that I certainly appreciate his advice and help on many of the things we've dealt with, I might also say, as a former professor at the University of Alberta. The municipal excellence program that we're working on with the dean of the School of Business and local government services is something that's working very well.

What I would like to say ever so briefly is that, as you know, the Minister of Finance released and tabled in this Assembly the budget, and clearly that budget is without question dealing with some of the municipal infrastructure pressures that we're having. I want to say to the hon. member that the feedback I'm receiving from the

municipal leaders – the 1,944 councillors, mayors, and Reeves that make up the municipal bodies within Alberta have expressed, certainly without question, to the Minister of Finance and to the government how pleased they are with how we're dealing with some of the infrastructure programs.

What I would like to do, though, is specifically deal with MIMS, which is an acronym that we use for the municipal infrastructure management system. We're increasing this program by just under a million dollars, and the reason why is because we're inventorying, we're working with municipalities. It's about a 9.4 percent increase in our budget this year, a line item. This ultimately is dealing with the issue of our extended support program and our municipal infrastructure management system program.

The hon. member I know is aware that in the Ministry of Transportation our \$60 per capita has been announced again dealing with transportation infrastructure, and also the 5 cents a litre to both the cities of Edmonton and Calgary, making up two-thirds of our population, continues to go forward. It's interesting to note that the mayor of Toronto, the mayor of Montreal, the mayor of Quebec City, and the mayor of Vancouver are all extremely envious of what Alberta offers to our cities, something that they could only dream of. I want to say that this all is part and parcel, hand in glove of dealing with the issue of municipal infrastructure. So I would like to take the opportunity to recognize how important those initiatives are in the budget estimates for this year.

The hon. member also talked about limits to growth. I would say that these are examples of how we're dealing with limits to growth, but also I would like to make reference to the issue about smart growth. The member may be aware – and I'm quite certain he probably is – but I would like to reiterate what I mentioned earlier tonight. In dealing with the issue of smart growth the ministry is and will continue to increase its focus on the development of policies which enable municipalities to better manage continued growth, update land use policies which will incorporate smart growth strategies and principles that will continue to allow municipalities to better deal with increasing growth pressures and bottlenecks.

If I could, just for a moment, the hon. Member for Edmonton-Rutherford also sits on our Roles, Responsibilities and Resources, and one of the products that you're going to be seeing coming to this Assembly in the weeks and months ahead is enabling legislation to deal with the exact question that the hon. member has asked dealing with growth.

You may not be aware, but in the Municipal Government Act today it says that municipalities have the authority to deal with issues of water, storm, and sewer. There has been a municipal practice over the last 50 years where they also are able to capture dollars working in partnership with developers to deal with roadways. What we are proposing to do based on stakeholder support is to look at: how do we grow the pie and grow the pie smartly, and how are we going to be able to do that? We don't want to see developments being put on hold because municipalities do not have the infrastructure wherewithal to be able to deal with it. So what I'm very pleased to say is that developers, homebuilders are working closely with municipalities.

The ultimate role and responsibility of the Ministry of Municipal Affairs is to deal with the authority, but what I'm pleased to say is that one of the products of roles and responsibilities will be this enabling legislation in terms of how to allow municipalities to better meet the growth, to deal with roadways, and at the same time provide that opportunity of their continuing to negotiate and to partner with developers. Many of the former Reeves, mayors, and councillors that sit in this Assembly are very much aware of the negotiation that goes on between developers who want to come to a

community and how they negotiate with the particular developers and homebuilders who want to invest in their community. That takes place not at the ministry level. We provide the overall umbrella of authority, but we're looking at enhancing it through this enabling legislation. I want to say that that is certainly without question a very important product of the roles, responsibilities, and resources committee that the hon. Member for Edmonton-Rutherford participates in as well as the hon. Member for Whitecourt-Ste. Anne as well as the hon. Member for Calgary-Mountain View.

I would like to say that as we go forward with the smart growth pressures, I think it's going to be very, very important to continue to grow the pie but to grow the pie by working together. Rather than forcing anything on anyone, it is really about working hand in hand with your neighbours. It's interesting; the mayor of Calgary had made comment relative to the fact that they have developments now in Calgary - Symons Valley is one of them - where in fact they're on hold, where no one benefits. The developer has land that's tied up; the city cannot issue a development permit because of the fact that there's not enough wherewithal. So this enabling legislation would be able to accommodate that, and really what it would be doing is validating a code of practice that has been going on for years and years and years. But it really is about meeting, as the hon. member has mentioned, the incredible infrastructure pressures in growing communities that are taking place across Alberta.

You know, one of the surprises that I think we all see today is that the Alberta economy hasn't slowed down in the last 10 years. Eventually, we always think we can catch our breath, but the fact is that we continue to meet the demands based on the many people that come to Alberta who don't bring their highways or their roads or their schools or their hospitals as has been mentioned by many members in this Assembly. But at the same time we're meeting the growing demands working in partnership with municipalities.

I hope I have addressed the questions that the hon. member has asked. With that, I will take my seat. If I've missed anything, I apologize, and at this time if I have missed any questions, please feel free to reiterate. I was trying to write as quickly as possible, but I don't take shorthand as well as I should. I'll endeavour to answer any other questions the hon. member may have or anyone else may have, even from my side.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I thank the minister for addressing some of the questions. The question is: am I satisfied? I think there's a big question mark there, but certainly I appreciate the minister attempting to address some of the questions.

A couple of other questions that I have for the minister I again draw from the TD Economics report, although the observations made there are not new. We have raised questions on those issues in the House before. Let me go back to that Calgary-Edmonton Corridor report, where again the report says:

Above all, there were no new revenue sources or tools added to municipalities' arsenal. Instead, the provincial government's decision to raise the education portion of property taxes in its 2003 budget will put pressure on local governments to significantly restrain increases in municipal property taxes over the near term.

This is on page 34. We have been saying that over and over again over the last week, with no satisfactory explanation either from the minister or from other members of the government as to why the government has all of a sudden chosen to change that policy so dramatically.

The *Edmonton Journal* draws attention to the same thing, that last year the government in fact did decide to lower by one percentage

of the federal committee.

I had one more question from the Member for Edmonton-Centre as well, and this was dealing with how the funds collected from the administrative penalties were spent. Currently moneys received from administrative penalties cannot be used for normal operating expenses, Mr. Chairman, but rather must be used for the enhancement of the Alberta capital markets. They've been used in the form of education for investors and for market participants, along that line. So that's the main focus of where it's been, and by putting the money back into those areas we believe that we will have a public better educated to understand how to use the markets. That is a good piece of it.

There was one more question, and it was in regard to the registration section. It's also being amended, and it's eliminating the clause that lists the criteria that have to be met before the registration of a person or a company can take effect, so she was wondering about what would happen now. This provision is being amended to facilitate the move to electronic filing, Mr. Chairman, of applications for registration, renewal reinstatement, or amendments to registration with the establishment of the national registration database, the NRD, later this spring. So what this will do is really speed it up and make the securities much more effective. We're looking forward to seeing that happen.

One of the complaints from companies that have been registering and trying to become new companies out there today is the length of time that it's taking to look at the directors, to check them out, and that's all part of a process that happens through the Ontario Securities Commission as well as the Alberta Securities Commission, the B.C. Securities Commission, and so on. So this process of being on-line is going to hopefully speed that up, and we will see the ability to get companies up and running in a much more timely manner.

Mr. Chairman, with those comments I will sit down and see what we can do in moving toward the questions.

10:10

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

Mr. MacDonald: Thank you very much, Mr. Chairman. Certainly it was with interest that I listened to the answers to the questions that were earlier put before this House by the hon. Member for Edmonton-Ellerslie and the hon. Member for Edmonton-Centre, and I appreciate the hon. Member for Calgary-Mountain View's response. Certainly when – and the hon. member touched on that earlier – we consider some of the difficulties that have occurred, unfortunately, and as a result the lack of confidence investors can have in corporate governance in North America, perhaps this bill is of considerable merit and should be endorsed or supported by as many members of this Assembly as possible.

Now, does this bill provide the greatest amount of protection for investors as possible? This certainly remains to be seen. Does this bill as it's drafted allow Albertans improved access to capital markets? I would like further explanation from the hon. member as to precisely how this bill is going to improve access to capital markets. Certainly, when we consider that this bill is part of the ongoing project between securities commissions across the country to harmonize Canada's securities regulatory system, if this bill represents the initial phase of these changes, then why are we going in this direction? Is there not an interest in working with the federal government more?

I know other people have asked if this bill or these legislative changes may not be premature and if we should wait until the federal Minister of Finance reports. But when you look at what has gone on and why investors would be cautious, the hon. member may be

doing more than was initially attempted here, and that is to improve investor confidence by providing greater protection for investors and also allowing Alberta businesses improved access. Now, how this is going to work I will wait and hear the explanation myself. Certainly to streamline or to make regulatory environments more efficient is noteworthy, but it cannot be at the expense of investor confidence, and investors are sick and tired of the word "reinstatement" on financial annual reports. It doesn't bode well. It didn't work for Enron. It didn't work for WorldCom and several others.

Now, if you look at the collapse of Enron, investor confidence has been shattered across the world. It doesn't matter whether it's a Japanese investor, a European investor, or an American investor. And it's so important for the Americans because their economic prosperity is based on foreign investment in their country. Up to this time there has been a fairly good return for that investment, but now that is not the case. When we're debating this provincial legislation, that confidence affects us because the Americans were our largest trading partner, and they are growing even larger because of their thirst for our energy products.

Now, Mr. Chairman, the collapse of Enron, as an example, illustrates the various loopholes that existed under securities legislation and tax evasion schemes that not only Enron but other companies and certainly Arthur Anderson could and did use, unfortunately, to deceive shareholders. If you can't look at a company's annual report before you invest and have confidence in the numbers there, then our entire system is jeopardized. If there's a silver lining behind the dark cloud in the collapse of Enron, it would be this. It raised awareness among investors and stakeholders that something had to be done and that there had to be changes made.

Securities commissions. The hon. member mentioned them earlier in his remarks. Securities commissions, the SEC and others but mostly in the United States, began to make small changes that would hopefully prevent another Enron from occurring, but last summer WorldCom collapsed. Others may have touched on this subject in this Assembly, but this cannot repeat itself, Mr. Chairman. The collapse of WorldCom was even more spectacular and shed light on even larger loopholes that existed in the electricity market. We look at others in the electricity and the energy markets and at some of the shenanigans that were going on. I think this episode or episodes was a reminder to us all that regulations are important, and not only are they important, but we must adhere to them.

Now, once a sham is discovered, the stock plummets to next to nothing, and you can have, as an example, some good stocks that are caught up with the bad. I'm told that Calpine is one of those stocks that is undervalued just because of the lack of confidence people can have or investors can have in the energy sector. By the energy sector I mean the electricity-generating sector and some of the natural gas marketers, not every one but some. Everyone, unfortunately, is being tarred with the brush here, Mr. Chairman. The Americans have gone to great lengths to try to restore confidence. You can have all the legislation in the world, but the passage of time is going to be needed to restore investor confidence.

You know, we have new investment vehicles all the time, and I'm curious at this time in committee, Mr. Chairman, how they're going to be affected, if at all, by Bill 14. We look at income trusts, and they certainly have surged in popularity in Canada and are being offered even on the New York Stock Exchange as antidotes to shrinking stock portfolios and tiny fixed-income returns. Hon. members of this Assembly, those who have laptop computers, could certainly look at the Canadian Oil Sands trust and their annual report or their quarterly report that's on there if you'd like to have a look at an income trust in this province. The income trusts generally provide rich income streams, as high-yield bonds do, but the trusts

are actually equity investments, and their value, as I understand it, can change. Some of these changes can be dramatic, and the payouts – I don't know how this will work here for Bill 14 – are not in any way, shape, or form guaranteed.

10:20

Now, despite these shifts a number of investors in Canada have been drawn to these income trusts because of the prospect of high yields that are consistent over a period of time. When we consider that a large number of baby boom investors are nearing retirement, they're looking for stability of income. Some investment advisers have stated that baby boomers may be more attracted to this sort of structure because if they are to invest in stocks, they may not be able to wait the long period of time to acquire or to attain capital gains.

What role is this Securities Amendment Act going to play in these income trusts in Alberta? You know, we mentioned energy income trusts, real estate income trusts. There are many forms of this investment vehicle. How many people in this Assembly would know that the Fording Canadian Coal Trust controls North America's biggest exporter of coal for making steel? This trust, as I understand, replaced Fording common stock as part of a merger with two other Canadian coal producers. Fording's shares closed last week, I believe, at a little over \$19, roughly the level at which they were listed.

Now, there are three other Canadian trusts – the Enerplus Resources Fund, the Pengrowth Energy Trust, and the PrimeWest Energy Trust – that have a listing in New York City. There were more than a hundred trusts set up in Canada in the last two years. They account for 57 percent of the value of new listings on the Toronto Stock Exchange, and I understand that the trusts account for about 7 percent of the market value of the Standard & Poor's Toronto Stock Exchange composite index. Canadian income trusts were initially confined, as I understand it, largely to the oil and gas and the real estate sectors but are being set up now in industries such as food processing, cheque printing, telecommunications, and horticulture. Some of the most suitable candidates, naturally, would be well-established businesses with stable cash flow that is not required for new capital investment.

Now, there are those that warn, and these are some individuals from BMO Nesbitt Burns in Calgary that say, and I quote: beware of businesses with significant reinvestment needs. Again I have to question Bill 14, the Securities Amendment Act. How much, if any, enhanced protection do we have for Alberta investors in these trusts?

These trusts, as I understand it, are sort of unique to Canada. They receive very little time or attention from other investors. There are various reasons for this: the small size of most of the offerings. Research indicates that typically these offerings are around 250 million Canadian dollars each. Because of uncertainties of investing in foreign securities, other nationals, in this case Americans, may be reluctant to invest in them. Is Bill 14 going to encourage American investment in these trusts? Will this bill ensure that as we proceed along with income trusts, there will be a greater number of foreign investors participating in this investment vehicle? What will we do here with Bill 14 to see that that happens? It's going to be interesting to see. As I understand it, American companies have not formed income trusts because they would be regulated as mutual funds with strict reporting requirements and limits on the fees that are paid.

When we look at changing business conditions and the fact that some investors may not be as aware or as sophisticated as others, how will Bill 14, we have to question in committee, protect those investors that may not be as interested in checking out income trusts as others? What are we going to do to ensure, not only for energy income trusts but for real estate and for various other industries that

are being set up in this form, that Bill 14 can protect? I think it is important, Mr. Chairman, if this is going to be an investment vehicle that's going to grow for whatever reason, whether it be tax law or tax savings as a result of tax law, that these trusts are fully valued and that they are mechanisms for Albertans and Canadians to invest their money. When we look at the provincial jurisdiction here, we want to ensure that regardless of what kind of investment it is, there is public confidence.

In conclusion, I would remind all members of this House that since the federal Minister of Finance struck a committee and there is talk of harmonizing and reforming securities commissions across Canada, perhaps we should table this legislation until the federal Parliament has an opportunity to make their suggestions after their consultation process.

Now, before I conclude, I do have one question in regard to the hon. Member for Calgary-Mountain View's remarks, and I'll perhaps have to get it on the record later.

Thank you.

[The clauses of Bill 14 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

10:30

Bill 16
Agricultural Dispositions Statutes
Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Yes, Mr. Chair. It is indeed a pleasure to speak this evening to Bill 16, the Agricultural Dispositions Statutes Amendment Act, 2003. At this time I would like to propose an amendment, and I will give all members an opportunity to get a copy of the bill and to read it.

The Deputy Chair: Hon. member, just hold for a minute until the amendment is at least brought to the table.

Mr. Bonner: Yes. I will. Thank you, Mr. Chair.

The Deputy Chair: The amendment is being circulated. We shall refer to this amendment as amendment A1.

Hon. Member for Edmonton-Glengarry, you may proceed.

Mr. Bonner: Okay. Thank you, Mr. Chairman. I am proposing amendment A1 to the Agricultural Dispositions Statutes Amendment Act, and in moving this amendment, I would like it to be amended as follows: in section 2(3) in the proposed section 1.1 by striking out "within the meaning of the regulations under section 62.1 of the Public Lands Act" and substituting "within the meaning of section 62.1 of the Public Lands Act and the regulations under that section."

As well, in section 3(23) in the proposed section 62.1 by adding the following after (1). Section 1.1 would read: "Access to an agricultural disposition by foot for recreational purposes shall not be restricted in the regulations under this section."

Now, then, in proposing these amendments to the bill, the purpose of the amendment is to ensure that hikers and the like are not restricted from an agricultural disposition. The idea here is not to allow hunting per se on these dispositions. Rather, the goal of the amendment here is to allow Martha and Henry to go for a walk on these lands. This would be done at their own risk and also at their own liability. This whole amendment is designed to take hiking and walking out of regulations and put it in the legislation. The reason for this is the fact that it is certainly not open to interpretation, and as well it will be clearly defined so that all members in the Assembly will know what they are voting on, and this will not be left up to the whims of those making the regulations.

Now, then, part A of the amendment changes the wording around to reflect that this is part of the act and not the regulations. Again, for the reasons I stated, we would like the legislation to indicate our proposed purpose.

Part B basically lays out that people entering an agricultural disposition for the purpose of hiking, et cetera, would be considered recreational users. Again, these are excellent amendments because it will allow those people who are simply out for a walk and are not intending to hunt on that land to certainly have the freedom to use that land for those purposes at their own risk.

I would urge all members to support this amendment. It's a very good amendment, and it is an amendment that will strengthen this bill. With that, I will cede the floor to see what other members have to say in regard to these amendments.

Thank you, Mr. Chairman.

[Motion on amendment A1 lost]

[The clauses of Bill 16 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 10

Health Information Amendment Act, 2003

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

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you very much, Mr. Chairman. Bill 10, the Health Information Amendment Act, 2003, is certainly legislation that comes to mind as not being without controversy. When we look even as recently as February of this year, the Alberta Information and Privacy Commissioner issued a report on the investigation into a complaint regarding disclosure and collection of health information. So the whole issue of health information, its collection and disclosure, is certainly very important to Albertans.

We look at this bill and this idea of removing the need for health professionals to proactively gain consent from patients prior to disclosing their health records via electronic means. Also, when we consider that we are going to provide authority for custodians to provide access to and disclosure of health records and information of deceased individuals, we have to approach all of this with a great deal of caution, to say the least. To explain this bill, we have to divide it or look at the issues and the purposes of these issues.

10:40

What exactly are we proposing here in removing the need for health professionals to gain consent to disclose electronic health information? Now, Mr. Chairman, patients are not the only ones that are potentially harmed by a confidentiality or a security breach. Health care providers who have been shown to be responsible for such breaches through the actions of their employees have on occasion been successfully sued and subject to administrative penalties or sanctions. Now, health care providers must recognize that maintaining their patients' confidentiality is a matter of trust and an important factor in maintaining good public relations and a good public reputation.

Now, what are the implications of a confidentiality breach? Just why should we be so concerned in this province about confidentiality? Should patients expect to give away some of their privacy whenever they seek, you know, consultation from a doctor or treatment at a hospital? I don't think so. But to the extent that information is shared so that the government in this case can pay the bill, it is important. I have to remind the Assembly that patients can be harmed by careless or inappropriate disclosures of health information. When the government is proposing to withdraw section 59, which removes the requirement of health professionals to get patients' consent before information can be shared through electronic means, I get concerned.

Maybe all this, Mr. Chairman, is hypothetical; maybe it's not. Could a banker, for instance, cross-reference a list of sick patients or cancer patients against a list of outstanding loans at his or her bank and then call in the loans? This is just one example of something that could go wrong. That's only one example. I'm looking forward to continuing not only as freedom of information and protection of privacy critic, and this is, I believe, a companion piece of legislation to that act. I'm going to look forward to participating in debate later on.

At this time, Mr. Chairman, I would, please, like to adjourn debate on Bill 10, the Health Information Amendment Act, 2003.

[Motion to adjourn debate carried]

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report Bill 14 and Bill 16.

The Deputy Chair: Hon. Government House Leader, I presume that you also meant to report progress on Bill 10.

Mr. Hancock: And progress on Bill 10.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Leduc.

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 14 and Bill 16. The committee reports progress on Bill 10. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

Mr. Hancock: Mr. Speaker, I move that we adjourn until 1:30 tomorrow afternoon.

[Motion carried; at 10:46 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]