

Legislative Assembly of Alberta

Title: **Monday, March 1, 2004**

8:00 p.m.

Date: 2004/03/01

[The Speaker in the chair]

The Speaker: Please be seated.

Mr. Marz: Mr. Speaker, could we revert to introductions?

[Unanimous consent granted]

head: **Introduction of Guests**

The Speaker: Please proceed.

Mr. Marz: Thank you, Mr. Speaker. Tonight members of the Alberta Special Constable Association made a presentation to the standing policy committee. Four of them are with us tonight. The other four – Paul Badger from Strathcona county, Darlene Roblin from the municipal district of Foothills, Terri Miller from Clearwater county, and Faith Wood from Airdrie – had more pressing things to do. The ones that were able to join us tonight are John Armstrong, special areas, Jayson Nelson from Mountain View county, Mike Woods from Lacombe county, Bruce Mackenzie from the county of Stettler. Would you please give these special constables the warm welcome of the Assembly.

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

Dr. Taft: Thank you, Mr. Speaker. I have four introductions tonight, and they're in the members' gallery. I'll start off with Darlene Williams, who has one child in Belgravia elementary and a second who will be starting school soon; Beth Hendrickson, who has a child in Belgravia elementary as well; Erin Rowe, who has two kids, one in kindergarten and one in grade 2 at Parkallen; and the grandfather of these children, Howard Rowe. They are all parents and grandparents who are here because they're concerned about the funding for public education and are interested in watching the proceedings of the Legislature. I'd ask them to rise in the gallery, and we could all give them a warm welcome.

Thank you.

head: **Motions Other than Government Motions**

Education Funding

501. Mr. Griffiths moved:

Be it resolved that the Legislative Assembly urge the government to phase out the education portion of property taxes over a 10-year period, gradually supplementing the loss from alternative sources thereby freeing up financial resources for municipalities to adequately provide required services.

[Debate adjourned February 23]

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

Mr. Marz: Thank you, Mr. Speaker. It's a pleasure to rise this evening and join the debate on Motion 501, sponsored by the Member for Wainwright. Alberta continues to be in a very unique economic position compared to other provinces in Canada. As an example, earlier this month the Minister of Human Resources and Employment showed that his department had seen a net gain of 47,900 jobs in Alberta in 2003. This rate surpassed all other

provinces. Alberta's economic growth along with sustainable financing for program spending has earned accolades from financial institutions and envy from other governments.

To some people Motion 501 may threaten Alberta's success by eliminating a sizable portion of the tax revenue necessary for Alberta's education system. Mr. Speaker, this idea can be looked at from two different perspectives. On one hand, Motion 501 could drastically lower taxes for Alberta property owners. This motion could also lead to a reformed tax collection system and more accountable local governments. This shift in taxing policy could address many municipal issues by increasing available funding and helping them achieve long-term goals.

On the other hand, Mr. Speaker, some may wonder if this is a reasonable way to help municipalities. This motion isn't talking about a few million dollars. As it stands today, if we handed over the education portion of property taxes to municipalities, local governments could see a province-wide increase of approximately \$1.4 billion in a single year if they took it all.

Alberta's tax base is already low compared to other provinces. Some would say that the reason for this is because Alberta, unlike other provinces, has the luxury of collecting royalties from nonrenewable resource revenue. I won't deny that high oil and natural gas prices make up a great deal of the resources in the provincial coffers, but Alberta also collects a substantial amount through other taxes. Alberta's tax revenue for the 2003-04 fiscal year is projected to be just under \$10 billion. The school property tax accounts for approximately 12 per cent of the total amount, which is a very significant portion. Personal and corporate income tax accounts for over 70 per cent of Alberta's total tax revenue.

Eliminating the education portion of property tax would cost the Alberta government over \$1 billion each year. This shortfall would have to be made up in other areas. In the event that oil and natural gas prices fall, there would have to be another option for stable funding. One would assume that the Alberta government would look to the taxpayer. The taxpayer could play less of a role if we remain committed to sound fiscal policies. The concept of eliminating the education portion of property tax is feasible without causing great harm to our bottom line.

In the immediate future the government needs a diverse tax base to fund key programs and address immediate issues. In the future I don't think that the funding needed to address the issues of the day needs to come solely from the taxpayer. After Alberta's capital account is fully funded, less money will be needed for infrastructure. Once the stability fund is fully funded, Alberta will have a sizable amount of funding to survive inevitable dips in the energy market, and after Alberta's debt is paid off, the province will save millions each year in payments in debt-servicing costs.

I'd agree that it might be too soon to eliminate almost \$1.4 billion from Alberta's operating budget by eliminating the tax collected from property owners. I've no reason to believe that this process would be simple or quick. This motion isn't asking government to eliminate the education portion of property taxes over a single fiscal year. Doing so would no doubt cause financial pressure. This plan should be carefully thought out and phased in over time, say five to 10 years after the provincial debt is paid off. I think offsetting revenues would accommodate that change, and I don't think we should lock ourselves into, particularly, a 10-year program if budgets allow us to move quicker.

I also think it would be interesting to see what local governments would do under a new tax collection structure. Motion 501 urges the government to eliminate the education tax from property taxes and does not say what would happen to the existing tax system. If the amount collected from property owners is significantly decreased,

then it may be in the best interest of the Alberta government to create a more accountable tax collection system for local governments. Municipal governments are creatures of the provincial government . . .

The Speaker: Hon. member for Olds-Didsbury-Three Hills, I'm sorry to interrupt, but under Standing Order 29 we've now reached a point where five minutes is reserved for the mover of the motion if he chooses to proceed to close debate.

The hon. Member for Wainwright.

Mr. Griffiths: Thank you, Mr. Speaker. It's my pleasure to rise this evening to close debate. I'd like to begin by thanking all those members who spoke for or opposed to the motion. I actually don't think there were very many people really opposed to the intent of this motion but, rather, to whether or not this was going to occur over a 10-year period or immediately.

This motion if it's passed will serve two main points; that is, to continue the move that was started in 1994 to reduce the government's dependency on property taxes to fund education. Mr. Speaker, that's the philosophy of this government, that everyone in this province receives the same and equitable education levels regardless of the resources available in that municipality.

It will also achieve the second main goal, Mr. Speaker, which is to allow municipalities tax room in order to expand their tax base so that they can provide services which they've found they experience now with the downloading of some services on them and also, and most importantly, new demands on growth, on new infrastructure – new roads, new sewers and water systems – because our economy is growing so fast.

Thank you very much. I hope everyone supports this motion.

[Motion Other than Government Motion 501 as amended carried]

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

8:10 Health Care Premiums

502. Mr. Mason moved:

Be it resolved that the Legislative Assembly urge the government to eliminate seniors' health care premiums immediately and phase out premiums for all Albertans within three years.

Mr. Mason: Thank you very much. It's an honour for me, Mr. Speaker, to move Motion 502 on behalf of the New Democrat opposition and on behalf of the hundreds of thousands of Albertans of all political persuasions who believe that the health care premiums are an expensive, inefficient, and regressive lump-sum tax.

While the elimination of health care premiums has been the position of the Alberta New Democrats for as long as health care premiums have existed, last month we decided to launch a new campaign urging Albertans to pressure the government to get rid of them once and for all. We're calling our campaign Scrap Health Care Premiums: It's Good Medicine. In our campaign we point out that health care premiums are an unfair tax that hurts seniors, middle-class families, and working Albertans. The New Democrat opposition proposes to scrap them because Albertans deserve a better deal.

In our campaign to scrap the health care premiums tax we put out that we are one of only two provinces with health care premiums. The other is British Columbia. Eight other provinces and three territories fund the health system using more progressive sources of government revenue.

In the past several months groups from across the political

spectrum have called for either a reduction or elimination of health care premiums. The Alberta taxpayers' federation is on record as favouring the elimination of health care premiums. The provincial Liberals have also recently adopted this position.

Dr. Taylor: They just copied you, Brian.

Mr. Mason: What else is new? Well, since the last election I guess they've had a different position.

Reducing health care premiums at least for seniors finds support even on the government benches. The Member for Edmonton-Manning suggested only a few weeks ago that seniors' health care premiums should at least be eliminated. He deserves credit for raising this issue shortly after his election, and I hope that he will continue to fight against this unfair tax, not limiting the elimination just to seniors.

That, Mr. Speaker, is why it's disappointing to hear the Minister of Health and Wellness say in the House this week that while there's no immediate plan to increase health care premiums, they will need to be increased in the future. The minister's statement is no doubt code for the fact that while health care premiums won't be increased before the election, they may well be increased after the election.

The New Democrats have been prepared to say how they'll make up the more than \$900 million in yearly revenues generated through the health care premiums tax. We're not prepared to shortchange our hospitals, schools, or other important services by scrapping health care premiums without replacing the lost revenue. As part of our campaign to scrap health care premiums as expressed in Motion 502, there's a plan for how to do it without jeopardizing funding for these important services.

The New Democrats would pay for the elimination of health care premiums by cancelling the multiyear corporate tax cut which will cost the Alberta Treasury \$1 billion once fully implemented. A phased elimination of health care premiums as called for in Motion 502 would cost about the same amount. Again I want to emphasize that it is only a reduction in the general rate for larger corporations that we would cancel. The New Democrats would retain all of the reductions for the small business tax rates as well as the increases in the small business exemption subject to the lower rate.

One economist that we consulted with told us that a \$1 cut in health care premiums would have bigger economic spinoffs than a comparable \$1 cut in corporate taxes. Much of the benefit of corporate tax cuts flows to shareholders outside Alberta, while a two-adult family which no longer has to pay the \$1,056 per year in health care premiums is going to save more of this money consuming goods and services at home, thereby stimulating greater economic activity and job creation. I'm sure that that approach is going to find favour with the Member for Drayton Valley-Calmar, who's worried about jobs.

Motion 502 calls for seniors' health care premiums to be eliminated immediately. Until 1994, Mr. Speaker, seniors were not required to pay health care premiums at all in recognition of the fact that they lived on fixed incomes and in almost all cases had no employer to make contributions on their behalf as many working Albertans do. At the same time that seniors were first required to pay health care premiums, they were promised that even if health care premiums rates were increased for other Albertans, they would not be increased for seniors. Two years ago, when health care premiums were hiked 30 per cent, the promise to not hike seniors' health care premiums was also broken. Seniors' health care premiums were also hiked, to \$1,056 for a senior couple.

Seniors have been hard hit by this government with the almost 50 per cent in long-term care accommodation rates. Copayments for

prescription drug coverage were increased from 25 to 30 per cent a few years ago. Universal eye care and dental benefits were also eliminated two years ago. So it's only fair that seniors' health care premiums be eliminated immediately. This would involve a \$90 million reduction in revenue, little more than half the \$161 million revenue reduction that would result from the further planned corporate tax reduction scheduled for April 1, 2004.

Health care premiums are a very economically inefficient tax, Mr. Speaker. When the massive administrative and compliance costs associated with this tax are considered, it becomes very clear that not only are health care premiums regressive; they are also very wasteful. Alberta Health and Wellness spends more money chasing down people who can't pay their premiums than it spends on administering the rest of the public health insurance plan itself. About \$15 million per year is spent administering this complicated premium tax. In the fiscal year 2002-03 \$50 million in premiums were written off because Albertans were simply unable to pay them. One in four individual health care premium accounts is in arrears. Money spent tracking down Albertans who have difficulty paying their premiums could be better spent on improving health care delivery.

Grassroots members of the Progressive Conservative Party have passed resolutions at past policy conventions calling for an end to health premiums. We were amazed, Mr. Speaker, when we read that, but there it is, and I would advise the government to listen to their grassroots because in this particular case I think they're onto something. In previous sessions of this Legislature members of the Conservative caucus have introduced legislation and proposals that would have ended the collection of health premiums. The Minister of Seniors has consistently promised seniors' groups that he believes that premiums should be eliminated, at least for seniors, as soon as possible.

It is unfortunate that the Premier and the minister are unwilling to listen to Albertans on this issue and are in fact considering further hikes in this regressive and unfair health tax. Burdening hard-working Albertans and middle-income seniors while proceeding with an extremely generous tax cut for already profitable corporations sends a clear signal to Albertans, Mr. Speaker. This government continues to listen only to what it wants to hear. It continues to tilt the so-called Alberta advantage to high-income earners and larger profitable corporations while asking average Alberta families to pay more.

In conclusion, Mr. Speaker, I urge all members of the House to support Motion 502. Thank you.

The Speaker: The hon. Member for Calgary-West.

Ms Kryczka: Thank you, Mr. Speaker. It gives me great pleasure to rise in the Assembly this evening and add my comments to the discussion and debate surrounding Motion 502. As we have previously heard tonight, Motion 502 proposes to wipe out health care premiums for all seniors and within three years for all individuals in an attempt to alleviate hardships endured by some Albertans.

As many of my colleagues are already aware, the care and well-being of seniors is of great concern to me. I feel we must always be mindful of the important contributions they have made and continue to make to our families and our communities, and we should provide for them the appropriate programs and necessary supports.

I also acknowledge that this province has an aging demographic and an increasing proportion of elderly individuals. The number of seniors moving into Alberta is also growing. As of April of last year, 2003, 10 per cent, or 1 in 10, of the province's total population were seniors, and it's projected that by 2025 we will have 20 per cent, or

1 in 5. The seniors population will grow to this number, and there will necessarily be an increasing demand on the province to provide adequate supports, health and other, for seniors in our province. So we should be thinking about the future when we go into this kind of discussion.

However, Mr. Speaker, I'd also like to point out that just over half of all seniors over the last year did not have to pay any health care premiums at all because they qualified for an exemption due to a lower level of income. So what you're asking for we are already providing to lower level seniors. Moreover, some additional seniors only paid half their premiums because they qualified for a partial exemption.

So the government already recognizes that lower income seniors and Albertans may not be in the position to afford health care premiums, because we've responded to that. Most definitely, we feel that there should not be a financial impediment for these people to access health care services, so this is not totally a new idea that you have. The province already sets exemption thresholds so that those who need the assistance have the opportunity to receive it. The government implements a formula to determine the amount of premium that is to be paid or not paid by Albertans.

8:20

According to our government's philosophy, we provide support for those most vulnerable in society. Health care premium subsidies are not only available for seniors but also for low-income Albertans and are divided into four categories depending on if you're single or have a family, with or without children. It's my understanding that the rationale for the proposed motion and the elimination of premiums is to ease the burden for seniors and low-income Albertans. However, as I just said, exemptions are already provided to compensate seniors and those with lower incomes. In other words, about 60 per cent of seniors already either do not pay anything for their health care premiums or only partial or 50 per cent coverage.

I think that a better way to help those who struggle would be to examine our exemptions system. It seems logical to me, Mr. Speaker, that if the objective is to help those who experience financial difficulty, it may be beneficial to review once again and possibly further increase the threshold levels, because that has been done just recently by this government. This could provide exemptions for more Albertans in lower income categories, and it would ensure that premium deductions are based on incomes rather than by age.

If the cost of health care premiums is a burden for some financially strapped Albertans, then raising thresholds would help those individuals and families who would more likely benefit from a subsidy rather than a blanket or a universal exemption. The main group of Albertans who would benefit most from a total premium elimination would be middle and higher income earners as they pay the full premium. As I said earlier, this government's philosophy is to assist the most vulnerable. Now, I know there are those who would say that I am mean spirited and that I don't care, but I am a caring Conservative.

We must also keep in mind that not all Albertans would benefit from the elimination of health care premiums. Low-income earners, as I said, are already exempt, while those who pay only a portion of the premium would only receive a partial benefit. So this begs the question: how would this motion really benefit low-income seniors as they are already benefiting?

Mr. Speaker, many Albertans have their health care insurance premiums or a portion of them paid by their employer. These individuals would only benefit if the employer decided to pass the savings on to their employees. Therefore, there's no guarantee that these Albertans would even see any of these savings.

I would also like to make the argument that health care premiums serve as a reminder to Albertans that health care services cost money. As mentioned many times here and in the past, many Albertans view health care services as essentially free, and this is not the case as \$20 million a day is spent on funding our health care system. Albertans need to realize that health care services – and they want the best – are expensive, and premiums serve as a good tool to help those who would forget that. Without the premium reminder it may be forgotten that with each visit to the doctor there is a cost, actually a large cost, as we all know, involved. Or if we don't know, we should know. Health care is not free, and any misperception in this line of thought is dangerous as it does lead to overuse of the system. Granted, it is crucial that health care services are available to Albertans. However, we must not forget the costs associated.

Mr. Speaker, the province continues to recognize the importance of priority spending in health care. Funding for health care services for '03-04 will reach \$7.35 billion, which increased by 7.4 per cent over the previous year. Health spending remains the largest expenditure for this government. It is projected for '03-04 that health expenditures will account for 35.3 per cent of the total budget. Now, some provinces in Canada use up to 50 per cent of their budgets for health care. What could you give up in Alberta to cover health care costs as high as 50 per cent?

This province funds its health care system through three methods: federal transfer payments, general revenues, and health insurance premiums. Mr. Speaker, health premiums account for a significant portion of health expenditures. Last year the health premiums brought in roughly \$913 million in revenue, and this equated to 13 per cent of health care costs. This year that figure will likely exceed \$1 billion. Maybe if the federal government would increase their transfer payments by 13 per cent, as is reasonable, why then perhaps we could consider your motion.

Realistically, if premiums are eliminated, our system would require money to come from other areas in our budget, and \$1 billion would have to be cut from our programs and services to make up the difference. Then we could really talk about cuts and not in glasses and dental, as the Member for Edmonton-Highlands referred to inaccurately. The extended health benefit was a universal program that offered only 30 per cent coverage to all seniors, but now – and it folds in with our government's philosophy – it provides a hundred per cent coverage for low-income seniors. And if you don't have 30 per cent of what it costs for a new set of false teeth, then I guess you don't get your false teeth, although we do have the special-needs benefit.

Of course, premiums could be eliminated, and the lost revenue could be replaced through other means, and that could mean perhaps an increase in taxes. Maybe that's another option. Albertans could possibly see taxes go up in order to make up the shortcomings, and from past debates in this province any increases would be met with furious opposition.

Mr. Speaker, in order to take money out of the health budget, reforms need to take place. We're talking about a significant amount of money being eliminated. One billion dollars can't just be dropped out of the budget without Albertans feeling the impact. This money can't be just taken away without changes to the entire health system. It's not that simple. Reforms will need to occur to account for the dollars. The elimination of premiums could possibly be part of health care reforms, but that would have to be a part of a total package that would consider this change.

The province recognizes the importance of health reforms. The annual increase in spending for health care has grown at a faster rate than the province's overall revenues. If this trend continues, the province will not be able to sustain the increases. As a result, the

government is in the process of reforming the health care system. The Premier's Advisory Council on Health was established to review the system and make recommendations for meaningful reform, and the full implementation of the recommendations will be completed by December 2004.

The Speaker: I must regretfully inform the hon. member that this portion of her speaking time has now left us.

The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I appreciate this opportunity, and I am pleased to support this particular motion. The Liberals and the New Democrats have both held this position for I don't know how many years but a long time for good reason.

I think there are a few points that are worth clarifying right off the bat. This is not a premium; this is a tax. If it was a premium, there would be some correspondence to risk. There would be some correspondence to benefit. There would be some choice in whether or not you paid it. This has nothing to do with an insurance premium; this is a tax. That's reinforced by the fact that this actually doesn't flow into the health care system directly. It flows simply into general revenues. So this is a tax that should be cut. It's a tax that should be eliminated. It's simply a verbal sleight of hand that it's called a premium instead of the proper title, which is a tax.

I also note from the most recent third-quarter fiscal update that this is in fact a very substantial tax. We make almost the same amount from health care premiums as we do from crude oil royalties, and that's with crude oil priced at extremely high levels. This is telling us that we have become heavy handed in our taxing through this particular avenue and that we should eliminate this tax.

This is a tax cut that would serve all Albertans. As the Member for Edmonton-Highlands pointed out, it's a tax cut that would leave money in Alberta, in the hands of people who will spend it here, in the pockets of employers who employ people here. This would be a significant favour to small businesses when they provide this benefit, paying the health care premium to their employers. It would be a significant benefit to institutions like universities and regional health authorities and school boards, who pay the partial or entire cost of this for their employees. So, again, there are benefits across the board here.

8:30

I listened to the previous speaker's comments on who benefits and who doesn't benefit and who's hit by this tax and who gets exemptions, and I think it's really worth driving home the point that this is a tax that hits the working poor and the middle class the very, very hardest. The way the exemptions are set up is that you have to be almost destitute to qualify. If you are, say, working at an \$8 or \$9 or \$10 an hour wage, just enough to earn more than \$16,000 a year in taxable income, then you have to pay the full amount. What that translates to is that a family with children earning \$35,000 a year spends about 3 cents of every dollar they bring in in health care premiums. It's a 3 per cent cream off the top for the working poor. A family, say, where one of the parents is at home and one of the parents is working at Wal-Mart or as a secretary in an office or some position like that that doesn't pay terribly well gets hit paying 3 cents of every dollar of income in this premium.

On the other hand, a wealthier family earning \$100,000 a year spends only about 1 cent per dollar of income on this tax. You can see who this is hurting the most. It's hurting people who are lower middle-income earners. In fact, the irony here is that the wealthier the person, the more likely this tax is to be paid for as part of a benefits package. So it's kind of a double benefit for the wealthy and a double bind for the working poor.

Alberta is one of only two Canadian provinces that charge these taxes, and it is a tax that has been going up dramatically under this government. It's yet another example of the many flaws of the Mazankowski report. Based on a recommendation from the Premier's Advisory Council on Health, the government actually boosted health care premiums a stunning 30 per cent in 2002, a huge tax increase. Can you imagine? A tax increase from this government of 30 per cent when they have the opportunity to eliminate this tax and at the same time – and this will appeal to the Premier's new chief of staff – lay off a substantial number of civil servants because those civil servants will not be required any more to implement this tax. So win/win: reduce the bureaucracy; make a tax cut.

In fact, most Albertans are quite prepared to pay for their health care system through general revenues, through the normal taxes they collect, and would be delighted to have premiums eliminated. The question comes up: where would a government offset this tax cut? Well, this government hasn't worried before about offsetting tax cuts, and it is in the enviable position of running substantial surpluses year after year as a result of very generous natural gas and other natural resource revenues. In fact, they've been recording an average of about a two and a quarter billion dollar surplus per year for the last eight years.

So one option is simply to offset the reduced revenue through the surplus. Another option is to forgo or reverse the flat tax that was introduced in 2000 and has cost the government about one and a half billion dollars a year in lost revenues, almost all of which is an overwhelming benefit to wealthy Albertans. In fact, it seems that just about everything this government does is an overwhelming benefit to wealthy Albertans. There is a pattern here.

There are also other ways we could rearrange government priorities. We could, for example, forgo the \$33 million that this government uses to subsidize the horse racing industry. Or we could forgo the many millions that have been spent on committees studying health care reform and on and on and on. There were six new ministries created in 2001 by this government to add extra employment for its MLAs, and that has cost about \$46 million in extra salaries. So this is not a difficult problem. There are savings to be made by eliminating health care premiums.

I would like to hear the debate from the other government members. The speaker from Calgary-West made a number of points which are well worth rebutting, and I'd like to hear where everybody else stands on this issue. Our position is absolutely clear. We will support this motion. We have been for years opposed to health care premiums.

Thank you, Mr. Speaker.

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

Mrs. O'Neill: Thank you, Mr. Speaker. It's a pleasure to rise today and speak to Motion 502 as put forward by the Member for Edmonton-Highlands.

First I'd like to recognize the good intentions behind this bill, especially how it relates to Alberta's seniors population. Obviously, it is the goal of government to make continued efforts to improve the standard of living of the people they represent, and one of the ways we do that is by lowering taxes and reducing fees. However, government is also responsible for making sure that the services it is responsible for are both effective and sustainable. Eliminating health care premiums for all seniors immediately and phasing out all health care premiums for all Albertans would affect the number of dollars that are available for health care and seniors' programs.

The idea in and of itself is a good one, but the fact is that it costs money to maintain a high-quality health care system, and Albertans

are very proud owners of such a system. According to the *Maclean's* report last year, those of us in the capital region have access to the best health care system and service in Canada. The overall ranking was based on various criteria such as life expectancy, heart attack and stroke survival rates, as well as local services and preventable admissions. But that quality isn't limited to this region alone. Every year more than 250,000 surgeries and diagnostic tests are performed in Alberta's rural and urban hospitals. Seventy-eight thousand nine hundred and one MRIs were done between April 2002 and March 2003, up 12.5 per cent from the previous year, and during the same time span heart surgeries jumped by 5.4 per cent. Five thousand, one hundred and eighty-one joint replacements were performed, an increase of 6.4 per cent.

I do not believe that we have a crisis in the delivery of health care services, but I do believe that we have a crisis in the sustainable funding of health care services. It costs over \$20 million each day to operate Alberta's health care system, and the costs climb higher with each passing year. There are numerous reasons for the increasing costs, and there is great justification for those costs, such as our population increase, greater health needs of our people, an older population, and more diagnostic technology.

This system has become bigger as Alberta's population continues to boom. Costs are rising to maintain the quality of our ever-expanding system, and it is irresponsible to eliminate a form of funding which helps the province deliver these types of services without having some sort of plan as to how the shortfall would be met.

The cost of health care is expected to rise 8 to 10 per cent across Canada this year. Meanwhile, government revenues are growing by less than half that amount. What this essentially means is that money is being pulled away from other departments and other services in order to pay for the health system we so value. Alberta health care premiums bring in \$913 million in revenues each year, which is equivalent to about 13 per cent of total health care expenditures.

Now, I know that there are going to be some who will point out that health care premiums do not directly flow back into the health system, and that's true. However, when health care spending receives the most funds of the total taxes collected by the Alberta government, it's easy to see that health care premiums are necessary in order for the system to be properly funded. And while health care premiums flow into general revenue, monies flow from general revenue back into Alberta's health care system. The title of this fee is a question of semantics. The reality is, however, that if this amount, just shy of \$1 billion, is not collected in this manner, it will have to be obtained some other way.

8:40

Now, the motion itself focuses firstly on seniors and asks that they be exempt immediately from health care premiums. Those who live on a fixed income can be burdened by monthly expenditures, and health care premiums can be one of those burdens. This government has recognized this, and more than half of our seniors do not pay health care premiums. Of the 323,000 seniors living in Alberta in April of 2003, 164,000, or 51 per cent, did not pay health care premiums, and an additional 20,000 seniors pay only part of their health care premiums. Eliminating these premiums in general, especially in a manner that puts age before more important factors such as income levels, is the wrong approach. I prefer to increase the exemption levels for seniors. To exempt all seniors from having to pay health care premiums would simply download a burden onto Alberta's younger families.

The second part of the motion calls for health care premiums to be phased out over three years. Obviously, the motion is recognizing

the value of health care premiums, or it would simply ask that all health care premiums be eliminated, period. But a timeline is included in the motion, I sense, because the member realizes that if the money is not coming in through health care premiums, then either the government would need to raise the necessary funds using other methods such as increases to personal income tax, or the government would need the time to figure out how to rid the system of nearly \$1 billion in services.

I believe that health care premiums assist in significantly sustaining our highly valued public health care system. Our health regions have made strides in encouraging the use of emergency rooms exclusively for incidents that truly warrant immediate attention. In fact, Alberta is an international leader in delivering health and educational services using telecommunications technology. Initiatives such as 408-LINK help us to understand our health care needs and the most appropriate actions to be taken in serving them. Having the health care charge related to the paycheque is an open way of collecting the necessary dollars needed for the health care system. Again, I would like to reiterate: if the money were not being collected in this manner, it would have to be found in other areas.

As a point of interest, I would point out that Albertans pay the overall lowest taxes across this country. As Albertans we do pay health care premiums, granted, but we do not pay a provincial sales tax, and we do not pay a high rate of personal income taxes. This goes back to my point that if health care premiums are eliminated, these funds would have to come from somewhere else. If we truly want to get rid of health care premiums, then we need to find new ways of funding health services in Alberta. This has been a focus of our provincial government for a number of years. If we want to get rid of health care premiums, we must be willing to discuss substantial and significant ways of funding our beloved publicly funded health care system.

In addition, we need the federal government to honour their funding share of implementing the five principles of the Canada Health Act. One has to wonder whether any health care premiums would be required if the federal government paid their committed and commitment share.

Mr. Speaker, the motion put forward by the hon. Member for Edmonton-Highlands is admirable because it does attempt to alleviate a cost faced by Albertans, but at this point in time the motion is somewhat premature. Right now health care premiums play a sizable role in generating funds for Alberta's health care system. Removing them puts more strain on a system that is expected to become only more expensive in the future unless we reform how we fund our very valuable public health care system to make it sustainable and affordable for our seniors, for ourselves, and for the generations to come.

Thank you.

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

Mr. Cernaiko: Thank you very much, Mr. Speaker. It's my pleasure to rise today and speak to Motion 502, sponsored by the Member for Edmonton-Highlands. I'm very pleased to speak to this issue again as it is one that will never go away. Motion 502 urges the government to get rid of health care premiums. Now, I know that it urges the government to phase it out over three years for everybody other than seniors, but I think that we can safely say that the intent of this motion is to rid this province of health care premiums altogether, an idea promoted by the opposition in this province for many years.

This is an issue that many of us have debated time and time again. I will say that, yes, I would love to support this motion. I would love to stand before you and say that we can do away with our health care

premiums because we can afford it, but I can't say that. I know that we have premiums for a reason, and like it or lump it, they are here to stay for a little while longer.

Mr. Speaker, health care premiums are a very important part of our health care system. For some people they are a burden. Some Albertans do have difficulty paying the premium, but what I don't think people in this province really understand is that we are struggling ourselves to foot the health care bill in Alberta. Health care is a top priority for Albertans, and I think this government does a great job, with the resources it is given, ensuring that our health care system is decent if not fantastic.

Throughout the years as health care has become larger and more comprehensive, this government has met the challenges that have been thrust upon it. One of these challenges is not getting the proper amount of funding from the federal government. I know that you might stand up and say: oh, sure; you're blaming the feds for our woes. It's true. Their lack of foresight on this issue has really caused a lot of problems for this province as well as other provinces around the country.

Every day the price of health care seems to increase in Alberta. We see more and more people moving to this province from around Canada, and they expect to receive excellent services while we send \$24 million a day to Ottawa. However, when these people come to our province, they aren't bringing with them the infrastructure that they used to have. No. They expect to use ours, and that is completely fine except that this powerful growth is putting a strain on all of our top priorities. Health is included.

Alberta is having a tough time keeping pace with the amount of activity that this province is seeing in regard to growth. So when the topic of premiums comes up, everybody seems to always want to get rid of them. What I think everybody seems to forget is that these premiums bring almost a billion dollars into our health system. That is a significant amount of cash, that is desperately needed for our system.

Let us imagine that we did cut the premiums from Albertans. What if we decided, yes, that not paying premiums is a good idea? Where would that leave us? Well, I think that we could safely say that we would be without a few luxuries in this province. You have to remember that \$1 billion is a large part of our health budget, and we would have to recoup that cost somehow because, as you all know, health care is not free no matter what you think. So what luxuries should we be without in this province? Of course, maybe calling them luxuries is a bad moniker, but if we were to eliminate close to \$1 billion from our budget, they would have to be coined luxuries.

If we look at the current budget, what do we see that we would not be able to afford if we cut premiums out completely? Currently health care premiums bring in approximately \$913 million. So we'd need to cut funding for the departments of Economic Development, International and Intergovernmental Relations, Revenue, Seniors, Aboriginal Affairs and Northern Development, the Solicitor General, and Sustainable Resource Development just to make up the shortfall that would occur if no one in this province paid premiums.

Of course, if we put this into perspective in regard to Motion 502, we see that premiums would be totally eliminated in three years. I can almost guarantee that our health costs will be far higher and the amount eliminated from premiums will be far greater than what we see today.

8:50

So I put this back to the hon. member: what would he like to see us cut? What portion of our budget would he like to see tossed to the wolves, as it were, and what services would he deprive Albertans

of? Would it be the entire budget of the Solicitor General? I'm sure Albertans could do without our police. Or would you have all of our aboriginal programs cut? I mean, they don't really need our help; do they?

That is what Albertans must realize: we just cannot cut premiums without some sort of plan to find revenue to sustain our health system. We all know how Albertans react when there are cuts made. Think back to when this government had to cut 1 per cent from every department in 2002, 1 measly per cent. That is barely a surface scratch, but the opposition was up in arms yelling, screaming, and kicking trying to save their precious services.

So how would we get away with just cutting almost \$1 billion from our budget? We wouldn't get away with it. Something like this cannot be dropped; it cannot just happen. There needs to be a well-developed and very well-thought-out plan to make up that revenue. So how would we make up that revenue if we weren't able to cut anything? Maybe we would start delisting certain services. Maybe we would have to bring in more private health care options for Albertans. Or maybe we could just raise taxes, which would fly in the face of our Alberta advantage.

Mr. Speaker, I'm not saying that I disagree with the motion sponsored by the hon. member. In a province that is proud of having very low taxes, I think premiums are a bit of an anomaly. But health care is not free, and if we got rid of premiums, we would be sending the message that health care is free. Oh, wouldn't it be lovely if health care were free? Let me assure you that there is nothing I would like to do more than get rid of premiums. But, again, I am not in support of something that has the potential to cripple not only our health care system but our other programs and services as well.

Like I said before, health care is not free. I know that we all feel that it is public health care and that it's paid for by government, but we cannot overlook the fact that it's the taxpayers' money and premiums that are paying for that system. To remove such a large amount of money out of the system without a plan would be disastrous.

So, Mr. Speaker, you can see why I have reservations about supporting this motion, but my reasons do not stop there. Currently, we are trying very hard to reform our health care system to try and make it sustainable for many, many years to come. The system is in the midst of changes that should be completed by the end of this year. The changes stem from the Premier's Advisory Council on Health report, and the changes that are occurring should help alleviate some of the difficulties the system is facing. The recommendations being implemented will do a lot for our system. I know that one of the recommendations was for Albertans to continue to pay for health care through something similar to premiums to ensure that they realize that health care is not free.

Mr. Speaker, health care is not free, but we do provide millions in subsidies to low-income seniors and low-income Albertans who cannot afford these premiums. I think that it would not be a good idea to implement something like this motion is urging now, because we are in the midst of a great debate over changes to the system. Making a radical change like the one asked for in Motion 502 I think would be irresponsible. It lacks focus and vision.

If we were to eliminate premiums for seniors, who do you think will be paying for their health care? It is well known that this province is aging, and to remove premiums on the basis of age I think is a very poor way to do things. Currently in Alberta there are approximately 330,000 seniors, and less than half of those seniors pay the full premium.

Mr. Speaker, until we can come up with a proper plan to be rid of premiums, I think they should be here to stay. I urge all hon. members to vote against Motion 502 this evening. Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to join the debate on Motion 502. At the very outset I would like to urge all members to support this motion, which eliminates seniors' health care premiums immediately while phasing them out for other Albertans in three years or less.

I have listened in vain, I'm afraid, for persuasive and sensible arguments against the motion by government members. What I've heard instead are purely ideological or philosophical arguments, as the Member for Calgary-West would prefer to call it, in favour of corporate tax cuts combined with specious and fallacious rationalizations that levying a health tax on individuals and families somehow makes people more aware of the cost of health care or that it makes health care more sustainable in this province. Far from it, Mr. Speaker. Every Albertan knows that health care is not free. This is a completely specious argument that's being made again and again by government members.

Albertans know full well that health care costs money. The question is whether it should be paid for by a regressive, lump sum tax disguised as health care premiums or from corporate taxes and other more progressive sources of government taxes and revenues. Health care premiums are one of the most flawed taxes levied by this government. My colleague the Member for Edmonton-Highlands has pointed out a number of these flaws. I need not repeat them. I'll briefly describe some more flaws of health care premiums to add to the list.

The health care premium tax is costly to administer, with \$50 million per year spent writing off premium arrears and an additional \$15 million spent on administering them. Add the two of them: \$65 million right there.

Health care premiums are unfair to middle-income seniors and the self-employed, who it is not possible to include in an employee benefits plan. In recent years senior citizens have been hit not only with a 30 per cent hike in health care premiums but also a 50 per cent hike in long-term care fees, an increase in the copayment on their prescription drug coverage, and the loss of universal eye care and dental benefits. Scrapping health care premiums immediately is the least we can do for Alberta seniors living on fixed incomes.

Because health care premiums are not a true premium but a regressive tax cleverly disguised as a health premium, these premiums cannot be deducted as a health expense on tax returns in the same way that extended health and dental benefits can. If an employer pays a premium in whole or in part on behalf of an employee, this is considered a benefit and gets added to the employee's income, on which tax must be paid. Scrapping health care premiums also puts an end to this unfavorable tax treatment.

Health care premiums are a payroll tax, now speaking from the side of employers, that adds to the cost of doing business in this province. Employers are required to deduct and remit premiums on behalf of their employees, adding to the cost of the red tape. Scrapping premiums will cut payroll tax costs for employers like hospitals, school boards, universities, municipalities, community agencies, and businesses large and small.

Worst of all, health care premiums are plain and simple unfair to middle-income earners. A two-adult family making \$35,000 per year pays exactly the same \$1,056 in health care premiums as a family making \$100,000, \$150,000, \$200,000, or more a year. Everyone who now pays health care premiums would benefit from scrapping this tax, but middle-income families, including middle-income seniors, would experience the most relief. In fact, a family making \$35,000 would see their total tax load cut by one-third when health care premiums are fully eliminated. That is significant tax relief to hard-pressed families, Mr. Speaker.

rangeland, and inevitably, it seems to me, that's going to lead to degeneration in the natural condition of this special area.

So unless I hear information otherwise from the sponsoring minister – it's none other than the Member for Edmonton-Mill Creek – I think we'll have to oppose this piece of legislation. I mean, it's well known that off-highway vehicle activity has a detrimental impact by and large on wildlife habitat. We're probably all familiar with the kind of disturbance and damage that's done to the soil and to creek beds where these roads cross creeks. It certainly is noisy. It disturbs wildlife, increases air pollution, and can cause, in fact, significant soil erosion. I saw some photos from last fall of soil erosion in an area north of the area we're discussing right now resulting from off-highway vehicle use, and it was actually quite dramatic and quite disturbing.

Now, I suppose that if there were some absolutely overwhelming justification for this, I'd consider it, but I think that in some ways we not only need to think locally and act locally; we need to think globally as well here. We are in a world in which wilderness is being eliminated. Wilderness is being lost around the planet. In fact, there are some people who have put forward pretty powerful arguments that nature as it has been known throughout the entire existence of humanity has now ended. The whole idea of genuine nature is no longer a reality. It is simply a historical idea, meaning that there is no part of this planet any more that is untouched or unaffected by human activity and that indeed we have gone from allowing natural processes to shape the course of the earth's health to having that overwhelmed by human activity.

So the whole idea from a global perspective that wilderness is rapidly diminishing has to be considered here. We in this country, this incredible country of ours, Canada, and this wonderful province of ours, Alberta, still have corners of this land that are about as wild as any you are going to find in the world. We ought to be stewarding that land; we ought to be protecting it; we ought to be thinking of generations ahead and the value that untarnished natural land will have in perpetuity. I'm afraid this bill doesn't respect that idea. This bill threatens yet more wilderness in Alberta and is something that I think our children and grandchildren will look back at and say: wasn't that too bad; we lost that gorgeous piece of nature.

So I do look forward to the comments from the minister, the Member for Edmonton-Mill Creek to see how he justifies this bill, see how he explains it to us, and how he can attempt to convince us that opening up yet another little corner of Alberta's nature to quads and motorized vehicles is a good idea, because I don't believe it is.

I don't want to consume any more time than is necessary here, Mr. Chairman, but unless I hear something quite remarkably convincing from the minister, I'm going to be opposing this bill. Thank you.

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

Ms Blakeman: Thank you very much, Mr. Chairman. I've continued to follow this debate in *Hansard* and while I'm able to be in the House, and there was something that the Member for Highwood had brought up that sort of caught my attention last time when he was talking about the lack of snow in the area. Therefore, my discussion about whether it was appropriate for snowmobilers or not was somewhat of a moot point because there wasn't any snow, and I thought: okay. I went looking for a better description for my own purposes of where this area was and what it was like and didn't have to look too hard because we're getting very good in Alberta on having information available on web sites.

This is from an Alberta government web site. It's on the special places, called Alberta's Commitment, from page 31, and I'm just going to read this description because it quite struck me and, I think,

was the deciding factor in my decision not to support this bill. So, if I may, it just says that

one of the most noteworthy accomplishments of Special Places is the designation of over 30,000 hectares in an area known as the Whaleback. The largest undisturbed montane landscape in Alberta is now preserved in Bob Creek Wildland and Black Creek Heritage Rangeland. A series of spine-like ridges, the landscape of the Whaleback alternates between open grasslands and forests of pine, spruce, fir and aspen. Limber pine over 575 years old and 400-year old Douglas fir have been recorded. The snow free, Chinook-swept grasslands are winter range for mule deer and Alberta's largest elk herd while the list of predators includes cougar, wolf and grizzly bear.

Then it goes on to talk about there being over 80 species of birds there, that "many rare plants have been recorded," and of great interest is that

with the co-operation of industry, the Whaleback is permanently preserved free of mining, oil and gas development and logging. Forestry tenures were relinquished and oil and gas rights donated to the Nature Conservancy of Canada. Grazing lessees also supported inclusion of their leases in the protected areas.

So there's been a lot of work, a lot of meeting of the minds, from sectors that may traditionally be seen to be in opposition to one another, and I was quite struck by that.

Given that it is a very special place in Alberta – and I listened carefully to what the minister brought forward as rebuttal to the concerns that have been raised – I'm not satisfied by his points that this is reason enough to step away from our previous commitment to protect this area. I'm aware that my colleague the Official Opposition critic on the environment and on parks and forestry and sustainable resource management has also spoken at length raising her concerns around this. We have had a feedback loop in the community, both the interested constituency of environmental enthusiasts but also from the area. We always seek out what their opinion is on anything, and we've not had a very positive response coming from there.

Given all of that in context, I'm not willing to support this bill. I even looked at whether it was possible to amend the bill to make it more palatable, and I don't see opportunity for amending without, you know, totally scratching the bill, which is going against the whole point of an amendment.

So at this point I'm not willing to support the bill. Thank you.

[The clauses of Bill 2 agreed to]

[Title and preamble agreed to]

9:20

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

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 3

Architects Amendment Act, 2004

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you, Mr. Chairman. I'd like to make a few brief comments in support of the bill and to summarize it a bit.

Bill 3, the Architects Amendment Act, 2004, is a measure that strengthens the professional standards for the architectural and

interior design community. I was pleased to hear supportive comments on the bill from other members during second reading, and I'll take that support as affirmation that we are on the right track with the proposed amendments contained within this legislation. Through different amendments contained in this bill, the licensed interior designers would find a greater inclusion within their related industry. I'd like to touch on some of these amendments and briefly explain the benefits, as I see them, that would result.

Bill 3 proposes that licensed interior designers be defined under section 2 of the Architects Act, which references the definition contained in the act's interior design regulation. Defining this group in the act represents the main intent of Bill 3 as it makes the act more inclusive and at the same time provides greater legislative transparency. This is a measure that has been requested by the Alberta Association of Architects. Also under section 2 is a definition of restricted practitioner.

Under section 3 licensed interior designers would be authorized to perform specific architectural services as defined in the Architects Act's supporting regulations. The proposed amendment would reflect what is currently happening within the industry.

Section 4 would see a licensed interior designer elected to the Alberta Association of Architects governing council. This would ensure that licensed interior designers would be represented in the association's decision-making process. Also, it would improve the communication process between the association and licensed interior designers.

The current act contains no provisions to authorize the development of regulations specifically relating to the registration, education, training, professional conduct, and practice of interior design. This would be alleviated in the change found within section 5 of the Architects Amendment Act, which establishes regulation-making powers.

Amendments under section 7 and part 8 establish the registration, certification, and licence renewal requirements of APEGGA members who are authorized to become restricted practitioners under the act. Thus, they would be included in the Alberta association and the Alberta register of members. There's little doubt in my mind that these amendments would strengthen professional standards as they relate to the licensed interior designers and restricted practitioners. The industry is healthier when regulatory bodies are given the authority to ensure that members meet proper educational requirements and provide their customers with a safe, competent, and ethical service by following the prescribed code of conduct.

I'd like to conclude my comments by once again acknowledging the contribution of the architect profession in helping to develop these amendments. The co-operation between the staff of Alberta Human Resources and Employment and the Association of Architects' representatives was key in bringing forward recommendations to improve the Architects Act.

So with that, Mr. Chairman, I'll take my seat, and I'll look forward to hearing the comments of other members.

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

Ms Blakeman: Thanks very much, Mr. Chairman. I know that the Official Opposition critic covering this area, my colleague from Edmonton-Gold Bar, has already spoken in support of this bill. We have sent it out to our usual feedback loop, and no one raised any concerns with it. The Official Opposition has certainly been on the record in the past as being supportive of self-regulation for certain kinds of professional associations covering scope of practice and various housekeeping matters.

At this point no one has raised with us any concerns about the bill, and I'm willing to support it at this time.

[The clauses of Bill 3 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 4

Blind Persons' Rights Amendment Act, 2004

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

Dr. Taft: Thank you, Mr. Chairman. Lest any of us think that nobody follows what we do in here, actually there are people who pay close attention to what we do in here. One of them phoned me after my last round of comments on this bill and gave me some very useful and interesting information. This is a person who has worked closely on this piece of legislation for many years, has some expertise in guide dogs and in service dogs and how they're trained and how they're handled, and in fact relies on a guide dog for her daily life. She pointed out to me that, obviously, she fully endorses Bill 4 and that perhaps instead of extending or expanding this bill and sweeping service dogs into the same legislation as guide dogs, we may want to consider separate legislation for service dogs.

Service dogs, of course, can be trained for all kinds of things. They can be trained to help people who have trouble balancing. They can be trained for people who are prone to seizures. But they can also be trained to be quite aggressive. There are in the United States service dogs who are trained to help people who are having problems with stalkers, and if the wrong person approaches the person being helped by the service dog, the service dog will snarl and growl and, if need be, I guess, attack the potential stalker. That can be a problem in some public arenas, as you can well imagine. So we need to perhaps consider the full range of services that service dogs provide when we come to regulating them and providing legislation.

We also need to be very conscious of the different standards of training that dogs are provided. There are different organizations that certify dogs. There's the international federation of guide dog schools, which has, I understand, quite stringent standards specifically for guide dogs for blind persons. There are other dog schools and dog training associations for different kinds of service dogs, and unfortunately there are people around who have no licence, no particular background at all who claim that they are effective at training service dogs or even guide dogs. Of course, the danger there can be that if these dogs are not properly trained, somebody's life can be put in danger. If you're a blind person relying on your dog to help you across the street or if you have health problems or whatever other issues, the dog can mean life or death to you, and if the dog isn't properly trained, the consequences can be tragic.

9:30

These are some of the issues we need to be aware of, and we may want to look in the future at something like a service dog act or an assistance animals act, because they're not always just dogs. They could be developed in conjunction with a blind persons' rights amendment act or some other legislative framework. There certainly are many issues very closely connected to what we're debating in Bill 4 that need to be considered. I don't want to hold up Bill 4

while those other issues are considered, but in the future I hope that the government pays attention and looks at bringing forward other legislation to address other kinds of assistance animals.

With those comments I'll wrap up and look forward to other comments. Thank you, Mr. Chairman.

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

Ms Blakeman: Thanks, Mr. Chairman. I just wanted to use this opportunity to ask the minister who is sponsoring this bill, the Minister of Community Development, once again if he can give the Assembly a clear understanding of when we would see what should be the companion legislation.

A number of people have spoken about their, in my case, disappointment that we didn't get the other kinds of service and assistance animals included in this legislation. Fine. I'm willing to accept that this act remained pure, if you like, in that it was really dealing with the needs of blind persons and their guide dogs. I'm perfectly willing to accept that, but there were many of us who were waiting for the update or were waiting to bring us into the new millennium with clear legislation around service and assistance animals.

My concern was that we've now seen the update on the guide dogs and Blind Persons' Rights Act and no companion legislation, so when do we see the companion legislation? Are we going to have to wait another 20 years for that? I'm trying to prod the minister a bit here, but really this is an incomplete picture that we now have. We have resolved one small bit of this issue and have not resolved a whole other large area.

I also want to pick up on something that my colleague, the hon. Member for Edmonton-Riverview, said and maybe help to bring him additional information. He was mentioning the service animals that are specially trained to assist individuals who are being stalked or in a position of imminent severe threat. Usually someone has threatened to kill them and has every intention of carrying that out, and there are dogs that have been specially trained – you do hear of them mostly in the United States – to protect that person.

So the concerns expressed by my colleague that somehow they would be snarling and snapping at somebody in a public setting – strictly speaking those animals were trained to stay with the individual they are there to protect, and they are only to react if that person is going to be killed, essentially. The threat of them being killed is very high coming from a particular individual, and the animal is trained to react to that particular menace coming at them. It does allow that individual to get out in society in the same way that guide dogs allow persons with visual impairment to get out and move around in the world and do their business and that seizure dogs help people get out and move around and do what they need to do, and they'll be alerted if a seizure is coming by the animal.

The whole point is that people can get on with their lives, and these specially trained protection dogs are so that those individuals that are under extreme threat for their lives, in fact, can still go out and, you know, have coffee with a friend, do their grocery shopping, or go and gas up the car and do some of those things that everybody else gets to do, but because these individuals are under dire threat, they may not be able to do that. The dogs protect them, and they only react to the one individual. So it's a highly specialized area of service dogs, and these dogs don't go after anybody else in a public area. They are there to save someone's life, and it's a very specific reaction.

Again, part of the frustration here is that we didn't get the second bill that would have covered and outlined acceptable training standards, some sort of identification, and where in public various assistance animals would be welcomed or would be allowed to go

with their owners. I was looking for the complete range of animals: those that are signal animals, for example, that can detect oncoming seizures in individuals or other kinds of health related issues; those that are an assistance animal, you know, for working with kids with autism or somebody in a wheelchair where they can pick up things that have been dropped by the individuals; and the protection animals that I just described.

We didn't get anything for all of those kinds of animals, so we're still in limbo with them. They're not allowed and accepted and protected in public spaces like the guide dogs are. That just simply wasn't addressed, and there's no information coming from the government about when we could expect that.

I'm certainly willing to support Bill 4, but I need to know when the rest of this comes, when we get the companion act that's going to come. So that's my plea to the sponsoring minister, to please move as quickly as possible. I would like to see it in this spring session, at the latest in the fall session, but let's have an answer from the minister. Where are we in the planning process with this second bill? I mean, I know that it takes the government some time to get all of their ducks in a row and to have this flow through their process. Where are we? If this is not going to happen this year, then stand up and tell us because there's been a lot of interest and a lot of people that are asking for this.

We've supported this Bill 4 for the blind persons. We'd like to know when we're going to get what we're waiting for, which is the rest of the service and assistance and signal animals.

Thank you very much, Mr. Chairman.

[The clauses of Bill 4 agreed to]

[Title and preamble agreed to]

The Chair: Shall Bill 4 be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 1

Alberta Centennial Education Savings Plan Act

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Interim Leader of Her Majesty's Loyal Opposition.

Dr. Massey: Thank you, Mr. Chairman. I had the opportunity to speak to Bill 1, the Alberta Centennial Education Savings Plan Act, at second reading, and now, as is the practice, we have an opportunity to go through the bill clause by clause and to look at some of the provisions.

I wanted to start with the preamble, Mr. Chairman. The preamble is one that I think most of us would have difficulty disagreeing with except, I think, for the interpretation or the action that seems to flow from those beliefs. That's really what they are, three belief statements. The first one is that the Alberta government recognizes the benefit of postsecondary education. The extrapolation from that, of course, is the bill that we have before us to encourage young Albertans to continue to postsecondary education.

We have in front of us a financial scheme that's supposed to do that. Unfortunately, it seems to be inconsistent with some of the other actions that the government has taken, and I think, in particular, it's the failure to have in place a long-term plan for the financing of postsecondary schools in the province.

9:40

The result of the lack of that plan is that we have the yearly – I've used the word "crisis" before, and "crisis" may not quite be the term. But each year as institutions prepare their budgets and, faced with fewer and fewer resources of the government, are forced to turn to students and increase their tuition, there's not a crisis but certainly an air of distress and a lot of political action with respect to students to try to make the government aware that if they really did recognize the benefits of postsecondary education, they would make it easier for those students already attending those institutions and make it easier for those people in those institutions that are responsible for postsecondary education and responsible for providing programs. That would make it easier for them, and that would be a true reflection that they recognize the benefits of a postsecondary education.

[Mr. Lougheed in the chair]

The second whereas in the preamble indicates that the government "wishes to raise awareness of the benefits of post-secondary education among children and their parents." I think I mentioned the last time I spoke to the bill that there has been a great effort on the part of the government, and in particular the Minister of Learning, to remind individuals who attend postsecondary schools and graduate from them how much they personally gain from that education. I think that there have been numbers tossed around with respect to the return on investment you get for investing in a postsecondary education.

The other piece of that has really not been very prominent in the government's awareness campaign, and that's the benefits that we all as a community enjoy because students are successful at our postsecondary schools. That goes for everything from the kinds of medical doctors and nurses and health care workers that we graduate and we all are able to draw upon when need arises to the engineers that help design bridges and highways and the kinds of structures we need for the transportation system that we all use to the social workers who help those in our community who are vulnerable or who are in distress and need help: a whole host of professionals that add to life in our community, both essential and the amenities that we enjoy.

There seems to have been little effort on behalf of the government to raise awareness of that kind of benefit of postsecondary education among citizens. I think it's unfortunate, and if the wish is to raise awareness, as this second whereas in the preamble indicates, I think that there could be a great deal more done with respect to the benefits to the broader community of encouraging youngsters to go to postsecondary schools.

The third whereas is one that we have some trouble with, and that's the government wishing "to encourage parents to plan and save for their children's post-secondary education." Now, no one will object or I don't think talk against parents planning for their youngsters to go to postsecondary schools, but the whole notion of saving and how much of the savings are going to be needed by parents I think is troubling. We've seen the withdrawal of support for postsecondary schools, the rather dramatic withdrawal in the last decade. The cuts that postsecondary institutions took in 1994 were the largest of all the budget cuts, 20 per cent, and many of the institutions have never recovered from that withdrawal of funds.

To turn around and to indicate to parents through actions like this – if the message is, "You're going to have to pay more because government is going to pay less," I think it's an issue that needs to have wider debate than what is stimulated by this whereas clause in Bill 1. So I'm concerned about the message that that puts out to

parents, and I'm concerned about the message to government in terms of their responsibility for providing for postsecondary education.

It wasn't that long ago, Mr. Chairman, that Canada and a number of nations gathered at the UN and agreed that they would extend tax-supported education for students past 12th grade. They would extend a tax-supported education a year at a time until students had, first of all, a two-year college degree or diploma without having to foot the bill and then eventually a four-year degree.

It may not happen immediately, Mr. Chairman, but there's no question in my mind that a number of years down the road that's exactly where we'll be. As the importance of postsecondary education becomes more and more critical to the success of a knowledge economy like ours, an information economy, the need to have our students complete those programs is going to become more, and what better way to encourage students to continue past high school than to make that as part of the tax-supported system? I think that it is eventually where we're going to have to go as a society.

If you look at the grants that are outlined and who's eligible for them – I think that I mentioned this before at second reading, the whole notion of a child only being eligible if they were born to a resident in Alberta in 2005 or any subsequent year and the inherent unfairness of that for students who were born a year or 16 years previous to that. Many of them are going to be going on to postsecondary schools, and they are not going to have the same opportunity as the Albertans who by accident of birth are born in 2005, and I think that sends the wrong message to those students.

I also think that it's a shortcoming in terms of planning with respect to the centennial. We would hope that people wouldn't look back on the centennial as the year that they were left out of a plan by the government that would have allowed them to put aside some money, if they so desired, for their education. So I think the unfairness of the bill is unfortunate, I guess, to say the least.

9:50

The notion under section 3(1) of paying a grant of a hundred dollars into a registered education savings plan. There's still a great deal of discussion and a great deal of information about registered education savings plans. I heard a presentation on television just recently where parents were being encouraged to not use the registered education savings plan but, instead, to put that money into a registered mutual fund that acted exactly the same way but ended up paying far greater returns with respect to the money that was invested. So whether the registered education savings plan is the best vehicle to carry this money and to make it grow I guess has been questioned by people, and I'm not sure that I've heard a full discussion of the alternatives that the government looked at before they happened to settle on this plan. I realize that given the federal law in this area, that made it attractive to piggyback on. Again, I'm not convinced that the alternatives have been explored.

I dealt with the matter of eligibility, Mr. Chairman. I think it's a plan that on first blush looked good but on closer examination has some flaws that I think warrant more questions and certainly without some amendment I don't think deserves to be supported by this House.

Thanks, Mr. Chairman.

The Acting Chair: The hon. Member for Calgary-Egmont.

Mr. Herard: Thank you very much, Mr. Chairman. I just thought I might try and respond to some of the comments made by the hon. Member for Edmonton-Mill Woods. When I was listening to what he had to say in dealing with raising awareness of the importance of

postsecondary education, the hon. member spoke of doctors and nurses and teachers and social workers, and I was quite frankly surprised that he didn't speak to any of the skills, any of the apprenticeships, or any of the college-applied degrees and so on that are also part of this. In other words, any approved postsecondary institution is then qualified to use these funds to further education. Whether or not your passion may be professional or in the area of skills, you should be able to follow your passion.

Another comment that the hon. member made was that he was concerned that the notion of saving for future education was troubling because he felt that perhaps it was a signal that government would pay less. Well, I think, Mr. Chairman, that saving for a postsecondary education is really a joint responsibility between parents, students, and government. I don't think saving is ever a bad idea.

With respect to the unfairness that was brought up again with respect to the fact that it starts in our centennial and goes on beyond, I'm wondering what benefit it would be for a 17 year old or an 18 year old to get a \$500 contribution for postsecondary education. Really, the bottom line here is the magic of compound interest as well as the top-up, with respect to the federal government, of 20 per cent. What better return on investment is that?

If we look at the number of children we have in this province, there are 560,000 in K to 12. That means we must have another 200,000 that are from zero to age five. So you are looking at, you know, 700,000 to 800,000 kids. Divide that into \$20 million and what do you get? About \$25. Would that entice anybody to open an RESP? I don't think so.

With respect to whether or not RESPs are the best vehicle, the guidelines are federal guidelines, and I think the hon. member knows that you can find all manner and types of RESP plans, including some that invest in mutuals. So I don't know that the hon. member understands that you can go to any RESP dealer of your choice, and therefore you have a whole gamut of types of investments that you could in fact invest in.

Thank you very much.

[The clauses of Bill 1 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Acting Chair: Opposed? Carried.

[Mr. Tannas in the chair]

Bill 7

Senatorial Selection Amendment Act, 2004

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

Ms Blakeman: Thank you very much. I'm pleased to be able to rise in Committee of the Whole to add my comments on Bill 7, the Senatorial Selection Amendment Act, 2004. Actually, I welcome the discussion that's caused by the introduction of this bill because I think there does need to be a discussion in Alberta about democratic renewal. Of course, senatorial reform, senate selection reform, is part of that package that needs to be considered.

The other ones that often are in the mix at the same time include the election process, whether we need to look at changing how we actually elect people. We have a first past the post system currently. You often hear proportional representation talked of as a viable alternative. The other day on the radio I heard someone talking about a mixed system, which would have been a version of proportional representation plus an additional vote. You would, in fact, cast two votes, an additional vote for the party of your choice. You could vote rep-by-pop for the individual person in your constituency, and then you could cast another vote that indicated your preference for the party. So if you thought the individual was doing a very good job and wanted to support them, if you had an incumbent, for example, but you really had to hold your nose over the overall party platform, you could reconcile those two things.

10:00

So there are still a number of other creative solutions that are coming up around election processes. I think this has to be addressed, and sometimes people laugh at me and say: "Oh, no, no, no. That's not going to happen. Whoever is in power is never going to let go of the system that keeps putting them back in power." But I would argue that there comes a point when the credibility of the party that wins is seriously impinged. At what point? When 50 per cent of the population, 40 per cent of the population, 30 per cent of the population are the ones that are voting? At that point what kind of credibility does the government have when they stand up and only 35 or 40 per cent of the population voted?

Well, how does that give them the great, you know, right to govern? It doesn't. At that point I think even governing parties, even parties that have monstrous majorities in the House, like the current situation in Alberta, even those parties will have to start to look at changing the system and championing a change for the system, because nobody believes them any more. Nobody gives them any kind of high regard because so few people actually participated in putting them there.

That links to another issue that I keep running into, and that is that we are not engaging young voters. A number of people have done work on this and I'm of course now tracking all of this, but what we're finding is that the current crop of young voters – in other words, 18 to 30, let's say – are not learning to vote. Generally, what we have is that lots of people, when they turn 18, don't vote in their first couple of elections because they're busy and they don't feel that they really have a lot of influence and they're not really paying attention. They don't have a lot at stake and stuff in the decisions.

Then they, you know, start a family, or they buy a house or property, and they get a bit more interested in how the laws that are passed and the people that are passing them affect their individual life. They become engaged in the process, and they start to vote. What we're finding with this group of younger voters now is that they're not learning to vote. They didn't vote at 18. They're not voting at 22. They're not voting at 26. It's not happening. They are not engaging in this system. So if we don't do something now to bring them into participation in this democracy, they will never participate, which I think bodes very ill for us in the future if we end up with an entire – what's the word I'm looking for? – age grouping that doesn't participate at all in the democratic process. We've got a problem.

So with the current voting system a lot of them say: "Well, I don't think my vote counts. You know, I don't feel that I participate. I don't think anybody listens to me." You know, I felt that way. I was in my 30s before I actually voted for someone that won, and that's a bit frustrating. I mean, that was hanging in through a lot of elections. It was actually municipal elections. That was hanging in

through a lot of elections where I voted for people that just never won. You think: "Well, what's the point? My vote doesn't count here. Nobody really cares about my input." I guess I'm just stubborn in that I stuck it out so long that I actually started to get to a point where people that I was interested in were winning, and they were engaging enough other people to win.

Mr. Herard: Was the first time you did that when you voted for yourself?

Ms Blakeman: No. It was municipal.

The idea that we're not engaging those younger voters I think is a huge issue. They understand that with the first past the post system they're not getting the representation that they expect to see. I mean, look around. We're not very representative of our population at this point. We've got to make this system better so that we are more representative of the people that actually live in our constituencies. So we have a whole issue around the election processes and what is going to serve us better.

There are also issues around citizens' initiatives, and there are two parts to that. One is the idea of recall, and the second is what's most commonly called citizens' initiatives; that is, the citizens' ability to bring legislation or a bill or an idea, a concept, before the Legislative Assembly so that it is seriously considered. It doesn't mean that the Assembly has to pass the bill, but it does mean that it has to consider it and debate it and look at it. Again, that's a way, because people feel that their elected representatives are not paying attention to them. There's an issue that they want brought up, they keep coming back to it, and they can't get it on the floor to be debated.

So that's where we get these kinds of citizens' initiatives where, you know, you get so many signatures on a petition that supports the introduction of a piece of legislation or an idea to be debated, a certain percentage of the population, and in fact the bill is put in front of the Assembly and is debated, and if it passes from there, it's a different problem. I've always found it very interesting that this Assembly, in particular the governing party in this province, will not support those kinds of citizens' initiatives.

Now, I think there probably is a problem around MLA recall. Watching what's gone on in our sister province, our neighbouring province of B.C., that hasn't been a particularly successful experiment. It seems to have been driven more by, you know, a small group of dedicated people that really, really didn't like their MLA and, you know, set out to get them, and it . . .

Chair's Ruling Decorum

The Chair: Hon. members, it is becoming more and more difficult for the chair to hear, even with the aid of this marvellous instrument, over the loud chuckles and enthusiasm of some of the conversations. If you want to carry on a lively discussion, would you please, with the whip's permission of course, go out into the chamber next door or at least keep it down low enough so that we can hear the speaker, because there's only one speaker being recognized at this time, and it's definitely the Member for Edmonton-Centre.

Debate Continued

Ms Blakeman: Thanks very much. So what we're talking about here is all the different possibilities for democratic renewal that we could be discussing as we look at this bill which is brought forward, the Senatorial Selection Amendment Act, 2004.

So far we've talked about election processes. We've talked about citizens' initiatives. We've talked a little bit about actual Senate

reform. This bill is not what it could be, and I wish that it would have been much more, because this is a rich discussion and, in fact, goes to the very heart of who we are as Canadians, that constant striving for representation, access, and equality. I think that's what the Senate represents.

I was one of the lucky people that got to participate in the Shaping Canada's Future Together constitutional discussions that went on across Canada in 1992. I was specifically chosen to participate in the one that happened in Calgary that was centred on the Senate and reform of the Senate. People from across the country were brought together for I think it was five days to look at every aspect of reform of the Senate and what that could possibly look like and what we thought the best idea was.

These constitutional conferences were set up in a very interesting way. Each morning we had presentations made to the entire group of us that really brought out all of the arguments that existed, and we sort of had two or often three sides of an argument laid out for us by learned people, experts in those particular areas. We all listened to this, and it cut through a lot of the blather that you sometimes get in those kinds of conferences where you have people that really aren't very well informed about it kind of mouthing off about their key thing. But there was no excuse for that in this case because we all now had presentations from learned people, and off we went into our breakout sessions to discuss what had been put in front of us.

Of course, we all had the workbooks, and we supposedly had gone and consulted with our various constituencies. Whether that was a geographic constituency or a constituency of like-minded people or shared interests, which is what I was representing, we should have consulted with them on the various questions and then brought that into the discussions that we had. I was really fired up by these discussions because to me it opened up a whole possibility of a way of life and a way of democracy that had never occurred to me. I got quite excited by the possibilities of having more representation. More of what I saw when I walked down the street could I see in an elected Chamber, in an elected Senate, and that was really exciting to me and energizing to me.

10:10

We did look at many of the same things that I brought up here, that sort of: well, if you're looking at an elected Senate, then what would the elections look like? Could it be proportional representation? Would it be a mixed first past the post and proportional? What became possible there in our discussions was that, you know, you could have a younger person elected. You could have somebody that was under 30 that would get elected to the Senate, especially if you were looking at proportional representation.

What we were talking about was the standard way of looking at proportional representation in which people cast their vote and then the votes were added up and, you know, proportionately the top whatever number of people elected were from a certain party, and the party would have a list, and they would then designate which of their people got the designated number of seats. Of course, that is both the huge step forward and the huge drawback because would you, could you trust the parties to actually be fair and representative in the way they put together those lists? Would they have, you know, every second person be a woman, which would be representative of Canada? We've got approximately 50-50 here, so we should have 50 per cent of the people in the Chamber be women. Would there be a certain percentage of people of different race? How far do you carry it? Do you look at sexual orientation? Do you look at religion? What else could you bring into the mix here?

We also looked at how many seats were appropriate across Canada. We're very interesting in Canada because our north takes

in the territories but it also takes off basically the top half, top third, top quarter of each province. So there is a constituency of the north that needs to be represented. If we're going to look at a second kind of representation of various constituencies trying to achieve that equality across the country and that representation across the country, then the north was a particular constituency that needed to be brought into the mix.

In the end the Shaping Canada's Future Together constitutional session that was held in Calgary wasn't successful in coming up with any particular direction that everyone could agree on. Interestingly enough, here we are 14 years later and we're still talking about it, and we can't agree on much here.

Just to go back and look at what's actually being presented in this bill and whether it touches on any of the areas that I've just covered, it doesn't. What it's really looking to do is extend the current act to 2010 because as it stands now, it will expire at the end of this year, December 31, 2004. So it doesn't open this up, it doesn't look at any other kinds of democratic renewal, and it doesn't discuss any of the other things that we could be discussing around senatorial reform, which is just a huge disappointment to me because it's such an exciting area.

Again, if we really wanted to engage some of our younger voters, here's the way to do it. Here's the opening. If we want to talk about a whole new world that could be challenging and accessible to people under 30, this is it, and we're not doing it. We're not discussing it; we're not opening it up; we're not engaging the younger voters. There are some of them sitting in this room that are our faithful pages here. You know, I'm sure they've got lots to say. Probably there's one of them that would be interested in being a Senator if that was a possibility for them.

That's the kind of vision that we needed to look at. You know, how is it possible to get someone that's under 30 representing one of these seats? How could we do that? That would be so exciting. But, no, none of it's considered inside of this bill. We're just talking about extending the date for the same old thing that we've always been talking about.

So, you know, the Alberta Liberals voted against the Senatorial Selection Act in '89 and the Senatorial Selection Amendment Act in '98, which this one is now extending. The agony for me on this one, the agony and the anger, frankly . . .

Mr. Mason: The ecstasy?

Ms Blakeman: No, there's no ecstasy in this. It's the agony and the anger. The Alberta Liberals, the Official Opposition, are strong believers in a triple-E Senate and especially in Senate reform, but this is not the way to do it, and we're not going to support same-old, same-old here. The whole idea was to get a different take on this.

So this is just disappointing considering all the other things that are going on, all the other possibilities that we have to engage the voting public and the nonvoting public that could vote and aren't and, you know, to look at other kinds of democratic renewal and

democratic reform that we're going to have to do. I think it would be much more exciting and fun and getting out ahead of the pack if we could actually grapple with this one and do it. What an exciting thing to be involved with. But instead we have: well, let's just take the same old thing and make it 2010 instead of 2004. That's just a huge disappointment.

We need to look at meaningful Senate reform. We've got three vacancies this year, and this is when we could be having it where it would actually do some good for Alberta to have that discussion, but it's not happening.

I often hear Senate reform talked about by members in this Chamber, members of the government, as a diversion tactic, which I think is particularly sad given all I've said about, you know, exciting possibilities to move forward into the future. To see it sort of flogged as a diversionary tactic to get away from the other things that the government doesn't want direction or focus on is even more disappointing.

I understand at this point that there are others interested, and I'd like to adjourn debate on this bill. Thank you.

[Motion to adjourn debate carried]

The Chair: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report bills 2, 3, 4, and 1 and progress on 7.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: Bill 2, Bill 3, Bill 4, and Bill 1. The committee reports progress on Bill 7.

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

Hon. Members: Agreed.

The Deputy Speaker: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Given the hour, I would move that the Assembly now stand adjourned until 1:30 p.m. tomorrow.

[Motion carried; at 10:20 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

