

Legislative Assembly of Alberta

Title: **Wednesday, March 3, 2004**

1:30 p.m.

Date: 2004/03/03

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy. As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country. Amen.

Please be seated.

head: **Introduction of Guests**

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

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the Assembly 32 grade 6 students and their teacher, Ms Natalie Gago-Estevés, and Mrs. Joanne McMillan, parent and school council chair, all from the Brander Gardens elementary school in my constituency of Edmonton-Whitemud. They're here today to observe and learn with keen interest about government. I had an opportunity, while we had pictures taken earlier, to receive questions, and I can tell you that this group asked some of the most intelligent questions that I've ever had as a member of the Legislature. They're seated in the members' gallery. I'd ask that they please stand and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you, Mr. Speaker. I rise on this beautiful Alberta day to introduce to you and through you a constituent of mine, Mrs. Anna Nascimento. I haven't had a chance to have questions from Mrs. Nascimento, so I can't comment on them, but I'm sure they're going to be very good ones when we get a chance to talk. Like many Albertans she was proud of the Alberta Learning Commission and is here to see that process unfold as we discuss it. Would you please join me and give her the warm welcome that she deserves in our gallery.

The Speaker: The hon. Minister of Energy.

Mr. Smith: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the balance of the Assembly 16 visitors from the Department of Energy. It's part of our new employee orientation program. I'll read their names and then ask them to stand at the completion of the names so they can be recognized and receive the warm welcome of the House: Ms Josie Kumar, Diane Smith, Janette Appelt, Alexei Jernov, Michael Martell, Pawel Swisterski, Robert Parker, Janette Pole, Susan Friedrich, Veronica Henriquez-Torres, Patricia Chatzoglou, Cecilia Bloxom, Dawn Von Semmler, Barrie Harrison, Anna Ellert, and Baxter Patey. I think it's important that I say that there is no relation between Diane Smith and myself. Please rise.

Thank you.

The Speaker: The hon. Minister of Government Services.

Mr. Coutts: Thank you very much, Mr. Speaker. It's my pleasure

today to introduce to you and through you to members of the Assembly some guests who were instrumental in shaping the Residential Tenancies Act, those amendments which are going to be tabled in the House today. These people and the organizations they represent were crucial in our ongoing efforts to listen to Albertans, to work through a diversity of views, and to help the government pursue a balanced vision, one that is acceptable to both landlords and tenants.

There are over 300,000 rental units in the province and a demand for more, and in the middle of their busy days these folks worked on these amendments to the Residential Tenancies Act to ensure that they keep pace with the rental housing industry and make Alberta's legislation among the best in Canada.

May I ask our distinguished visitors – they are seated in the members' gallery – to please rise when I call their names: Gerry Baxter from the Calgary Apartment Association, Ron Holland from the Edmonton Apartment Association, Brock Ketchum from the Calgary Better Business Bureau, Hope Hunter from the Boyle Street Co-op, Colleen Burton-Ochocki from the Edmonton Landlord and Tenant Advisory Board, and Katherine Weaver from the city of Edmonton. From my own Department of Government Services I'm pleased to welcome Rick Solkowski. I ask the Assembly to give them the traditional warm welcome.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. It gives me great pleasure today to introduce a couple of constituents of mine, one of whom, I'm pretty sure, voted for me because she's my wife, and the other one, I hope, will be able to vote for me someday. That's my five-year-old son. So I would ask Lucas and Linnette to stand and receive the warm welcome of the Assembly.

The Speaker: The hon. Deputy Speaker.

Mr. Tannas: Thank you, Mr. Speaker. I'm honoured today to introduce to you and through you to the Assembly 50 home-schooling students from Keg River to Milk River, from Lloydminster to Canmore. They are studying through the Centre for Learning at Home, which is headquartered in my constituency, in Okotoks. They are accompanied today by Bernadette Palamarek, Cindy Pukalo, Lori Snoxell, Leah Boorsma, Kari-Lynn Hastman, Maria Blunt, Leon and Tracy St. Denis, Raelene Devich, Mary Lynn Schneider, Carol Durnford, Elaine and Nolan Chapman, Jennie Almost, Heather Gautreau, Kim Frisch, and Deb Van Ember. I would ask them to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Wainwright.

Mr. Griffiths: Thank you, Mr. Speaker. It's a pleasure of mine to rise today to introduce to you and through you to members of this Assembly 22 of the best and brightest students this province has to offer, who, I'm sure, someday will be very interested in pursuing my job given their energy and their intelligence level. I'd also like to introduce Mr. Rick Dawson, the teacher; parent helpers Mrs. Barbara Bitzer, Mrs. Donna Fischer; and the bus driver, Mr. John Bruketa, with whom I had the distinct pleasure of discussing the importance of rural development for the success of this province. I'd ask that they rise and receive the traditional warm welcome of this Assembly.

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

Mr. MacDonald: Thank you, Mr. Speaker. It is my pleasure to

introduce to you and through you to all hon. members of this Assembly a constituent of Edmonton-Gold Bar, Mr. Jim Guthrie, who is accompanied by three visitors from the Soviet Union who are employees of the oil company SeverTEK. This company is just completing a \$355 million oil processing facility and a 110-kilometre pipeline in the Russian Arctic. SeverTEK employees include Canadians, and SeverTEK has purchased much of its equipment from Alberta companies.

On this trip these guests are meeting with as many Alberta oil field supply companies as possible and are here to learn more about the safety and environmental best practices that happen in Canada in Fort McMurray and also in the Northwest Territories. They are seated in the public gallery. I would like them now to rise as I call their names: Mr. Jim Guthrie, Alexander Seleznev, Alexey Boichenko, and Nina Salikova. I would ask them now to receive the traditional warm welcome of this Assembly.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. I also have a number of introductions today. The first are some parents and their children who are here watching the proceedings of the Legislature, interested in the welfare of Alberta's public education system. They are in the members' gallery, and I'll ask them to rise. The first is Liz Miller. She has four boys in elementary, junior high, and high school. I might add that I believe her father-in-law was once a member of this Assembly. The second is Kathy Pontus, who has two children in Windsor Park elementary. The third is Stacey Pelechaty, who has a child in Windsor Park, and finally Karen Ferrari, a mother of three with two children in Windsor Park elementary. As I say, they will be watching our proceedings with close interest as we comment on public education. Please give them a warm welcome.

1:40

Mr. Speaker, I have one other introduction. I'd like to introduce Carol Carbol. She's a licensed practical nurse very concerned about the future of public health care in Alberta, particularly interested in issues surrounding the use of P3s to build hospitals and about the impact of moving nurses from site to site, the impact of that on patient safety. I would ask Carol to rise, and please give her a warm welcome.

Thank you.

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

Mr. Bonner: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to all Members of the Legislative Assembly a constituent of Edmonton-Glengarry, Jimmy Ragsdale. Jimmy has a keen interest in politics both at the provincial and federal levels. He is seated in the public gallery, and with your permission I'd ask Jim now to rise and please receive the traditional warm welcome of the House.

The Speaker: The hon. Member for Wainwright.

Mr. Griffiths: Thank you, Mr. Speaker. In my haste and excitement I forgot to mention that the students were from Allan Johnstone school, the same school that last year won first place nationally for a Scholastic book award. I'd like that in *Hansard*.

Thank you, Mr. Speaker.

head:

Oral Question Period

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Cattle Industry

Mr. MacDonald: Thank you, Mr. Speaker. Cattle producers in Alberta are in financial trouble. Programs supporting the cattle feeder industry which were implemented last summer did not trickle down. The cow-calf program initiated this past fall has not been sufficient given the stall in today's market movement. [interjection] That's interesting. My first question is to the agriculture minister. Why did the government decide to use trickle-down formulas to insert money into the market rather than a program to support market demand, which would have kept a functional market in place?

Mrs. McClellan: Mr. Speaker, I take exception to the hon. member's assertions. First of all, it's an insult to the cattle industry in this province, that I believe knows a heck of a lot more about their business than the hon. member. Every program, all five, was designed with the cattle industry at the table. They were developed fully – fully – looking at all of the ramifications, all of the benefits, all of the effects, with a very strong concern that we know most emphatically that when there is ever any government intervention, it can cause some distortion in the market. The industry worked hard to ensure that the programs that were developed minimized that opportunity for distortion in the market. So, again, it is an insult to an industry that has proudly contributed to this province for this many years to suggest that the design of those programs did not work.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: what steps is the government taking now to help small cow-calf producers who got too little help too late?

Mrs. McClellan: Mr. Speaker, again the hon. member displays his lack of knowledge of the industry in the question. Last summer when I met with cow-calf producers – I didn't actually see the hon. member present at any of these functions, but he may have been – I was told by cow-calf producers of the great concern they had that they'd be selling 50-cent steers this last fall if we didn't intervene. Well, we did intervene and in a program that was designed by the industry to solve all of the effects of this through that chain of the industry. Cow-calf producers last fall saw prices that were as high or higher than the year before and an additional blessing of better weights because we did not have the drought conditions in the majority of the province.

Mr. Speaker, where the issues came with the cow-calf producers are the producers who decided not to sell their calves last fall for one or two or three reasons. One could be that you're in a tax position where you don't sell until spring and you can't change that quickly and, secondly, maybe because they were speculating that if the border opened, the prices would in fact improve. That's their management decision, not mine.

Mr. MacDonald: Again to the same minister: given that this government led producers into a false sense of security by giving the impression that the borders would be open in the new year, is it not now your responsibility to share some of the financial burden currently being felt by the small cattle producers in this province?

Mr. Hancock: Point of order.

The Speaker: Point of order recognized.

Mrs. McClellan: Well, Mr. Speaker, that tops it. It really does. I'm fairly used to questions that display ignorance of an industry by the Liberal opposition, but that tops it. I can't see any shred of evidence, and I'd invite the hon. member, although it would be out of character, to produce some evidence that this government – this government – gave the industry a false sense of security.

What this government did do and is doing and has continued to do for the past 10 months is work shoulder to shoulder with that industry to do everything we can to assist the federal government, who is our negotiator on international agreements, to move ahead on border opening. In fact, Mr. Speaker, I spent two days in Washington last week doing exactly that. My consensus and the information from that meeting are that the U.S. industry, politicians, cattlemen want that border open as much as we do.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Electricity Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. Yesterday the Premier stated, "It's clear that prices in Alberta have gone down since 2001 when deregulation was introduced." As proof the Premier tabled a chart of electricity prices, and this document was prepared by Alberta Energy. It clearly shows that Albertans' monthly power bills have skyrocketed since 2000 by as much as 41 per cent for some customers. My first question is to the Premier. Given that the government's own research clearly shows that monthly bills excluding rate riders have still increased for Edmonton and Calgary power customers, why is this government still clinging to Dr. West's failed electricity deregulation scheme?

Mr. Klein: It wasn't Dr. West's scheme, and it didn't fail.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: given that electricity deregulation has not brought "tremendous competition that will put downward pressure on prices," as Dr. West promised on April 22, 1998, why won't this government listen to Albertans and unplug electricity deregulation?

Mr. Klein: Mr. Speaker, I will say that Dr. West promised that deregulation would bring about the generation of more power, and that has happened. Alberta has gained over 3,000 megawatts of new power generation. That's a 30 per cent increase in Alberta's electricity supply since deregulation was introduced. In addition, we understand that investors are contemplating another \$6 billion by the end of 2006, which will bring on another 5,400 megawatts of power.

So, Mr. Speaker, notwithstanding the fact that prices have indeed stabilized, we now have a secure supply of energy, and even this member should be feeling a lot more comfortable than he did before deregulation.

The Speaker: The hon. minister to supplement.

Mr. Smith: Thank you very much. Very quickly, Mr. Speaker, I would draw the member's attention to a study done by the Independent Power Producers Society of Alberta. They clearly say, through a well-documented study, that today's prices are what the regulated prices would have been from the period 2000 forward, so he knows

very well what the real prices are. He knows the price of power has dropped in this province. They know that Albertans are getting some of the best power deals in North America.

1:50

Mr. MacDonald: Again, Mr. Speaker, to the Premier: if this extra generation, in this case 3,000 additional megawatts of power, is supposed to drive down prices, why has the opposite happened in Alberta and prices have gone up?

Mr. Klein: Mr. Speaker, the price of electricity has stabilized. How can anyone believe this member when he quotes from a 1998 letter written by Mr. Southern? Mr. Southern as recently as August of 2003 wrote us a letter saying that notwithstanding the carping and the misinformation and all the stuff that the Liberals put out, deregulation is working. It's working well, and this government has managed it well.

Calgary Emergency Health Services

Dr. Taft: Mr. Speaker, last week the Premier brushed off questions I raised from patients and their families about shocking conditions at the Foothills emergency ward. This government has blown up and sold off hospitals in Calgary to the point where it has far fewer beds for its population than any Canadian city outside of Alberta, and Calgary is still years away from a new general hospital. To the Premier: does this government accept responsibility for conditions in which a sick elderly man, repeatedly vomiting, spends hours lying on a dirty floor in the Foothills emergency room on a makeshift bed of coats in the heart of one of the wealthiest cities in Canada?

Mr. Klein: Mr. Speaker, if the hon. member would send me the information, all the details relative to this situation, I'll make sure it's investigated thoroughly.

Dr. Taft: Mr. Speaker, I tabled this material last week when I questioned the Premier then.

Does this government accept responsibility for conditions in which an 80-year-old woman with symptoms of a stroke is left for eight hours in the Foothills emergency room and eventually leaves without seeing a doctor?

Mr. Klein: Oh, Mr. Speaker, I apologize. There was a letter that was tabled. It was entitled Politicians Playing Doctor, and I guess it was sent from Monica Blackwell to Marlene Graham, the hon. Member for Calgary-Lougheed. But I'm sure that the hon. minister is having this matter investigated, as indeed all complaints are investigated, including the one that he raised during his second question.

The Speaker: The hon. minister to supplement.

Mr. Mar: Mr. Speaker, I can provide some more detail on this. To put this in context, there are some 250,000 visits a year that are dealt with at the emergency rooms in Calgary hospitals. Of the two letters tabled by the hon. member last week, one was about the circumstances surrounding the care of an individual written by a friend of that individual, and in the other case it was a family member who was writing about actually quite a number of different incidents that she alleges to have observed in the health care system.

Mr. Speaker, patient confidentiality, I think, is something that needs to be respected here on the floor of this Legislature, so we should not engage in the debate over the specifics of an individual

whose circumstances may warrant some further investigation. But I can say that in this particular case both writers of the letters and their families have been contacted by the regional health authority, by the patient representative who assists people in resolving some of the complaints. There is a proper complaint resolution process that the Calgary health region has. I'm assured by the health region that the writers of these two letters have in fact been contacted and that they're going through the process of ensuring that their complaints are resolved to their satisfaction.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. My last question, again to the Premier: does this government accept responsibility for throwing Alberta's health care system into such crisis that the Calgary health region has had to invent a new term signifying an absolute overload of emergency resources, code burgundy?

Mr. Klein: Mr. Speaker, that statement is not only wrong; it is vicious, malicious. It misrepresents the situation here in Alberta, where we're spending over \$7 billion on health care, over \$19 million each and every day. Yes, there are going to be instances, as there were back in 1950, 1960, 1970, 1980, as there will be in 2004, '05, '06, and every year and every century. There is going to be a problem or problems with the system. It's a huge, huge system that breaks down from time to time.

But all the Liberals can concentrate on is picking out what is not good about the system. You know, there are probably I don't know how many thousands of people that go through the system each and every day, and many of them, most of them, all of them with the exception of a few come out alive and well, and 80 per cent of them say that they were treated very, very well indeed. But the Liberals don't concentrate on the 80 per cent. They will search high and low and turn over every rock to find a little bit of dirt. That's what they're all about, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands, followed by hon. Member for Red Deer-North.

Cattle Industry (continued)

Mr. Mason: Thank you very much, Mr. Speaker. Alberta taxpayers feel betrayed. They have eaten more beef and gladly contributed \$400 million to assist Alberta beef producers only to find out that two large American-owned packing companies may have received most of that money. This morning the Tory MLAs at the Public Accounts Committee dutifully voted down a motion for the Auditor General to investigate. My question is to the Premier. Will the Premier overrule his stonewalling backbenchers and ask the cabinet to order a special investigation by the Auditor General?

Mr. Klein: Mr. Speaker, the hon. Deputy Premier and minister of agriculture has said that she will release publicly the expenditures to address the BSE crisis. I mean, where does this guy think the Auditor General has been? The Auditor General investigates all expenditures by all departments for all purposes in government, and if he finds that this \$400 million – and it's not going to go unnoticed by the Auditor General – was used improperly, he'll let everyone know. You're darn sure.

Since the hon. member alluded to Alberta beef producers, he obviously believes in the Alberta Beef Producers organization. Do you not? Do you believe in the Alberta Beef Producers association?

The Speaker: Hon. Premier, please.

Mr. Klein: Any member can ask any other member a question.

The Speaker: Well, actually, it doesn't really work that way. The hon. member.

Mr. Mason: Thank you, Mr. Speaker. Again to the Premier: given that the Auditor General told the Public Accounts Committee this morning that he could only look at the various expenditures and so on and couldn't do a value-for-money audit without being instructed by the cabinet, will the Premier take back that misinformation and stop stonewalling?

Mr. Klein: Mr. Speaker, as I pointed out, the Auditor General can investigate anything he wants. During the course of his normal duties he examines all expenditures by all departments.

But, Mr. Speaker, getting back to the Alberta beef producers – and the hon. member alluded to the Alberta beef producers. Well, I have a letter here from the Alberta Beef Producers, and it says:

We are concerned about the criticism that the financial support programs put in place to respond to the border closures resulting from the discovery of BSE in Alberta did not achieve their objectives. The programs stabilized our industry's situation and allowed for flow through to cow-calf producers who sold production in the fall of 2003.

2:00

He goes on to say:

Your government's leadership kept the beef cattle marketing system functioning by ensuring that cattle feeders received quick and vital financial support to offset their very significant losses created by the immediate over-supply of cattle for slaughter and sale within Canada.

This is from the Alberta Beef Producers, who go on to say:

Minister McClellan's persistence and leadership in negotiations with the federal government has also contributed to the recent changes in the Canadian Agricultural Income Stabilization Program and in their change in policy to not require slaughter under their national cull animal program.

The letter further states . . .

The Speaker: I appreciate that, but I think there's still another supplemental. There may very well be an opportunity, and we'll also table the letter as well.

The hon. member.

Mr. Mason: Thank you, Mr. Speaker. Obviously, a lot of arm-twisting went on yesterday.

Will the Premier, who no doubt wants to avoid any hint of a cover-up, please tell the House when and under what circumstances he will ask for an investigation by the Auditor General?

Mr. Klein: Mr. Speaker, you know, the hon. member alleges a cover-up, but 32,000 members, Alberta beef producers, say that indeed there has been no cover-up, that quite the opposite has occurred, and that this government has provided leadership, strong leadership in keeping the beef cattle marketing system functioning, and all this member can do is stand up and try to smear the Alberta beef producers. That is shameful.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Riverview.

Mrs. Jablonski: Well, thank you, Mr. Speaker. Obviously, we are

hearing a lot about the BSE compensation packages, and I, too, have a question for our Minister of Agriculture, Food and Rural Development. That question is: since the Auditor General will not even begin to audit the 2003-2004 financial reports for at least four weeks, could the minister tell us when we will receive a list of the payments made to date in the compensation package?

Mrs. McClellan: Mr. Speaker, I have said consistently that I will be very pleased to supply that information. However, I have resisted requests to file that information with anybody, including the media, until the program is complete. That would be totally unfair because the cheques that go out to producers go out as their claims are answered, and I don't want that to be a partial list.

There is no secret about where that money went, Mr. Speaker. Every cheque is made out to a producer, a feeder, and the exact amount that they have received. We are 95 per cent complete. We have a few claims that had to have some further information supplied. I should say also, for the hon. member's information and for the House's information, that we have done audits throughout this process to ensure to the very best of our ability that those dollars did in fact flow to the owner of the animal.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you, Mr. Speaker. My final question to the same minister: will the new CAIS program do anything to help our local smaller producers?

Mrs. McClellan: Mr. Speaker, it is designed to do that with the changes that have occurred to it, and you heard the Premier reference the Alberta Beef Producers' comments in their letter. While the CAIS program, or the Canada agriculture income stabilization program, was designed to assist producers in all aspects of primary and secondary production through difficult times or through swings in commodity prices or markets, it became very evident with the disaster the magnitude of the BSE incident that it would not be adequate under its present form.

So we worked hard with other provinces and the federal government over the summer and, indeed, were able to negotiate two changes to it. One was 60 per cent negative margins being recognized, and the other one, I think a fact that we should be very proud of in our province because of the size of the industry here, reminding members that we have 71 per cent of the slaughter, over 60 per cent of the feeding, half of the breeding stock, as well as a very large percentage of purebred stock, is that the caps were too low at \$975,000. Nationally they are looking at a \$3 million cap; in Alberta we're looking at \$5 million.

We want to be fair to all of our producers, Mr. Speaker, because the hurt is the same whether you have a thousand animals or 10,000 animals. It just goes up in degree. There is no point where it breaks off and doesn't become a hurt. So those changes will help our producers, and we look forward to other provinces coming on board and signing that agreement so that we can get on with the support our producers need.

Sour Gas Well Emissions

Dr. Taft: Mr. Speaker, proposals currently before the EUB would allow sour gas wells to be drilled in and around Calgary, encompassing about 300,000 people and a hundred thousand homes. The sour gas concentrations in these wells are high, posing serious threats to health and comfort. People prefer not to live near sour gas wells if they have a choice. To the Minister of Municipal Affairs: what is

this minister doing to ensure that residents in and near Calgary will not be adversely affected by these proposed sour gas wells?

Mr. Boutilier: Well, as the member, Mr. Speaker, is fully aware, this is in front of the board, but I can certainly assure every member of this House and all Albertans that the safety of all Albertans is a priority of this government. The oil and gas industry is one of the pillars of the Alberta economy. However, as with any heavy industry there are inherent risks.

Now, with respect to sour gas we have a very comprehensive plan in place to ensure the safety of both the workers and the residents and a protocol to go along with that procedure.

Dr. Taft: Okay. I'm sure that reassures them.

Given that a recent report entitled Impact of Oil and Gas Activity on Rural Residential Property Values says that property values in this area could depreciate by 10 per cent if they're located in the emergency planning zone of sour gas wells, what is this minister doing to ensure that Calgarians will not suffer this hit to their property values?

Mr. Boutilier: Mr. Speaker, every municipality in this province has emergency response plans and every corner of the city of Calgary, that the member mentioned. So he should be very much aware that emergency plans are in place in every area, consequently, to be proactive in dealing with some event that may happen. Without question I believe that the emergency response officials in the city of Calgary are exemplary, in fact to the point where they're unmatched in any other province in Canada by comparison to the city of Calgary. The people of Alberta are well assured, Calgarians included, that their interests are being protected relative to what is being asked today.

Dr. Taft: What is this minister doing to ensure that the city of Calgary, the city itself, will not lose millions of dollars due to reduced property taxes as a result of these sour gas proposals?

Mr. Boutilier: Mr. Speaker, one of the strengths of the Alberta advantage is that people are coming to this province because of the environment that this government has set. Consequently, the values of people's homes are in fact increasing because of that environment that we have set. So, to the hon. member, I do know that Albertans are very pleased by the fact that their values are appreciating because of that environment, because we've set the environment right in protecting Albertans.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Ellerslie.

2:10

Provincial Recreational Trails

Mr. Marz: Thank you, Mr. Speaker. I received numerous copies of letters addressed to the Premier regarding the recently released Recreation Corridors Legislative Review report. People throughout Alberta are expressing concerns that their issues were not heard by the committee or included in the report, such as the fact that many people simply do not want trails or that municipalities may have their authority to decide on development of trails taken away. My question to the Minister of Community Development: will the minister confirm that he will not remove municipalities' authority to decide if trails may be developed in their jurisdictions by designating provincial recreational trails in Alberta to be continuous?

Mr. Zwozdesky: Mr. Speaker, I don't recall having read anything in that report that would suggest anything of the kind. I can certainly assure this hon. member and all members of the House that I've never said anything about removing any of that type of authority. I think it should be made fairly clear that the Recreation Corridors Legislative Review report is just that: it's a report provided to me. I have not yet responded to it. I have sent it out to the public for additional comment and input, and to my knowledge virtually everything that the committee heard was fairly and accurately reported in that report. In addition to that, I've also received quite a bit of correspondence on it, so I understand that there are some anxieties out there.

Let me just emphasize again, Mr. Speaker, that no decisions have been made yet with respect to that report. It's coming through the process, and as part of that process I want to assure the member and others that local decision-making is paramount. Municipalities would first have to make approval of any potential trails or corridors in their areas, and that is throughout the report in several places, and I have indicated that many times in my conversations with the individuals and/or in my written correspondence with them.

Mr. Marz: Well, will the municipalities, given that they are going to have authority to continue to approve these, be able to put conditions on those approvals?

Mr. Zwozdesky: Well, Mr. Speaker, as part of that local decision-making process I think the issue of conditions would certainly be part of that review, and that would also fall under the purview of the local municipality. The issue of governance of existing trails – and I believe we have something like 18,000 kilometres of them in the province – or the potential creation of new trails with various conditions or whatever might be deemed locally important would be addressed at the level that I indicated earlier in the first question, and that is at the level of the local municipality in question. In fact, under the guidance of the Municipal Government Act there is that provision for a local land use jurisdiction and authority by the local municipality, and I think the report that was chaired by the hon. Member for Lac La Biche-St. Paul references that quite emphatically.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. Again to the same minister: given that abandoned rail lines previously had responsibility for fencing and that responsibility should have been transferred with the ownership of the land, will the conditions a municipality may apply to an approval include fencing to a certain standard?

Mr. Zwozdesky: Mr. Speaker, whenever there has been an abandonment of a right-of-way, then so, too, does whatever agreement may have been in place cease to exist, and the lands in question are treated as any parcel of land would be treated under the Municipal Government Act. The basic premise of the Line Fence Amendment Act references the containment of livestock, so municipalities would not be able to compel a trail operator or a trail developer to build a fence or erect a fence or whatever have you unless it was specifically with respect to the issue of livestock containment.

That having been said, the MLA report does suggest that fencing and many other items that are referenced in that report would need to be negotiated at the local level, and in that respect so, too, I would expect that the standards would be referenced as you are questioning.

Finally, let me just say that no decisions have been made on this report. The results are coming in. We'll take our time to have a look

at it, and we'll also look at what the benefits of these trails are, because active and healthy recreation lifestyle is being pursued in some municipal areas but not in others.

Sour Gas Well Emissions

(continued)

Ms Carlson: Mr. Speaker, sour gas is lethal. Even minor exposure to this gas has been linked to long-term serious health effects for people and animals. My first question is to the Minister of Municipal Affairs. When planning and protocol fail, how does this government respond to a hazardous sour gas release? People want details.

The Speaker: The hon. minister.

Mr. Boutilier: Thank you very much. I appreciate the question by the member. It's very important that there is an emergency response plan in place. I spoke earlier about a situation in Calgary. We have an approach, in fact two mechanisms. We have a protocol in place. As well, if citizens, in fact, are to smell sour gas, they can of course respond to 911, and the emergency response team is executed. Accordingly, there is a protocol in place with the AEUB officials as well as industry officials as well as emergency response officials.

Ms Carlson: Mr. Speaker, to the same minister: will this minister and his government accept liability in the event of a hazardous sour gas leak?

Mr. Boutilier: First and foremost, Mr. Speaker, it's important to recognize that there are emergency response plans in place. This government has a reputation of being very proactive.

Relative to issues of liability we hope and pray that situations like this will never happen because of this government's proactivity.

Ms Carlson: Mr. Speaker, my final question is to the Solicitor General. How does this government plan to protect Calgary residents and all Albertans from acts of terrorism on sour gas based facilities?

Mrs. Forsyth: Well, Mr. Speaker, it's another good question the hon. member has asked. I have to tell you that Alberta is in the lead in regard to dealing with terrorism. We have an SIM unit that we put together. Our Premier in 2001, on September 12, after the devastation in the United States, called together a team of the government led by the hon. minister of intergovernmental affairs. We have many ministers on the front bench involved in this.

I had the opportunity of speaking at a keynote conference with industry players from across this country, and the federal minister at the time, Minister Easter, was there, and he said to me: "Heather, why would we invent something? Alberta has taken the lead on this." So we're well prepared for terrorists in this country and have been for some time.

The Speaker: The hon. Minister of Energy to supplement.

Mr. Smith: Thank you very much, Mr. Speaker. I would just like to add that Alberta is the world leader in handling sour gas facilities. The industry is world best. The board is world best. There is absolutely no doubt as to their excellence because they're being asked daily by groups such as the World Bank and others to impart this knowledge to others.

Since the 1982 Lodgepole blowout, Mr. Speaker, there is a very

sophisticated process on emergency response and emergency response planning, and there has never ever been a civilian fatality from sour gas management in this province.

The Speaker: The hon. Member for Calgary-West, followed by the hon. Member for Edmonton-Centre.

Low-income Albertans

Ms Kryczka: Thank you. Mr. Speaker, last month I met with some truly low-income Calgaryans representing AISH and the working poor. They are finding it increasingly difficult to afford the basic necessities of life, including transportation. AISH receives \$10,500 a year and many working poor earn about \$12,800 a year. These people depend on public transportation to get to work, to doctors' appointments, to their day programs, or to volunteer agencies. The problem is that they can't afford the \$65 per month adult transit pass, causing them to lose their ability or incentive to get to work. They don't understand why seniors below \$18,000 annually only pay . . .

The Speaker: Hon. member, work with me. Just get to the question. Okay?

Ms Kryczka: The first question is to the Minister of Municipal Affairs. Can you explain whether this situation is more of an income problem or an affordable public transportation problem?

2:20

Mr. Boutilier: Well, Mr. Speaker, the Municipal Government Act, as you know, enables municipalities to provide municipal services such as transit, which is, obviously, a very important service, such as the member described in Calgary. I can relate that this is a local issue where the members of council will determine the best policy.

I can say, though, that in my past experience as a former mayor we had a program in place, that I know many municipalities utilize, in terms of helping Albertans that are in need, in the special circumstances that, in fact, the member has just raised. I would suggest to you that working locally with the municipal council, using some discretion on some cases – as you know, the province of Alberta in terms of helping those that are in need has removed over a quarter million Albertans off the Alberta tax roll that do not pay one single cent of tax, based on the kind of discretion that we've used in the policies that have been within this province.

Ms Kryczka: My first supplemental is to the Minister of Human Resources and Employment. Given that affordable public transportation is needed to help low-income Albertans first meet their basic needs and, second, help them gain the skills and training needed to succeed in the labour market, which are two goals in the department's 2003-06 business plan, what are you going to do?

The Speaker: The hon. minister.

Mr. Dunford: Well, thank you very much, Mr. Speaker. I want to first of all make a differentiation in terms of low-income Albertans. In the question it was lumped together, and there has to be, I think, a definition. If we're talking about low-income Albertans that happen to be on the assured income for the severely handicapped, the so-called AISH program, then I think the hon. member needs to know and understand that AISH is not a needs-based program. It is a program that provides income support to the person, and of course it would be expected, then, that transportation is included in that.

Now, if we have another low-income Albertan who is not working but is eligible to work, one of the cornerstones of moving that person

from welfare assistance into the workforce is the fact that they need help with transportation to and from the job. Then, of course, we can look at that on a needs basis and provide the bus pass.

Ms Kryczka: My second supplemental is also to the same minister. Would the minister consider forming a committee with provincial and municipal representation to attempt to improve this situation in Calgary and in other urban centres?

Mr. Dunford: Well, there's been a joke around here for a while that if you're on one of Clint's committees, honk your horn. You know, they were kind of making a bumper sticker out of it. So I'm not so sure that we need another committee in this particular instance, Mr. Speaker.

There's a committee that is already in place that is looking at this, and it is called the Advisory Committee on Barrier-free Transportation. We've been working with some of the major municipalities around the province in order to determine this.

As far as AISH is concerned, this AISH program has to be reviewed. It is a legal requirement that this fall we start into a formal review of the AISH program, and of course we will put together the formal structure, then, in order to do that.

Sour Gas Well Emissions

(continued)

Ms Blakeman: Mr. Speaker, despite the fact that the adverse human health effects of sour gas exposure are well known, this government has yet to conduct an objective, scientifically based study on the issue. This lack of research demonstrates a questionable regard for the health of Albertans. My questions are to the Minister of Health and Wellness. When will this minister finally complete this study?

Mr. Mar: Mr. Speaker, the Ministry of Health and Wellness has been working not only with our own provincial health officers but in collaboration with the minister responsible for Environment. This is an ongoing matter. My recollection from my time as being Minister of Environment is that they were a lead ministry in this particular area and, in fact, have equipment that is used for the monitoring of air quality throughout the province of Alberta, including equipment that is able to detect things like sour gas. So we continue to work on improving the quality of our air in this province, ensuring that the health of Albertans is safe.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Again to the Minister of Health and Wellness: given that the EUB's Advisory Committee on Public Safety and Sour Gas recommended over three years ago that this government conduct a comprehensive study, not a snippet but a comprehensive study, on the health effects of sour gas, how does the minister explain that this study still isn't done?

Mr. Mar: Mr. Speaker, I'm not familiar with the recommendations of the EUB in this regard.

Ms Blakeman: To the same minister: given the recognized dangers to human health and the proliferation of sour gas wells, will the Ministry of Health and Wellness acknowledge its responsibility to Albertans and advocate against sour gas development in and around populated communities?

The Speaker: One is up already. The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you, Mr. Speaker. I would like to add as well that working with our emergency response plan, companies, the industry, also have dependable systems of monitors in place to warn of any potential incident, which is part of the emergency response team. I failed to mention that earlier. There are sensors and monitors in place as well, in answer to the question posed by the hon. member.

Mr. Smith: Mr. Speaker, this is an important question. I think that because they're now spreading confusion and misinformation and talking about something that they really don't know the effects of, I'd like to talk with a little more clarity on what the Alberta Energy and Utilities Board does with respect to this important and large-producing amount. We produce a lot of sour gas in this province. In fact, at the University of Calgary there's the sulphur research centre. In Caroline, where we produce sour gas, they have some of the world's best handling equipment.

Now, when sour gas comes in an application like this, there is a process at the Alberta Energy and Utilities Board. It's an open process, Mr. Speaker. The party opposite could very well apply for intervener status and go and make their own statements. One of the problems they would have is that their interventions would have to be based on fact. I think that may pose a problem for them.

These open hearings, Mr. Speaker, consider the need for wells, well spacing orders, location of the proposed wells and facility, environmental impacts, health and safety impacts, land use impacts, condition of existing pipelines and facilities, and their operators' corporate safety record, compliance record, insurance. Then, in fact, the ongoing side is all monitored by the Department of Energy, and it continues to advise on any changes. Now, this means an emergency planning area. It means a way of alerting everybody to the effect of sour gas in case there is some issue that goes on. I can tell you that the Alberta record is unparalleled in the oil and gas drilling universe and will remain so. It's something we've worked on since 1954.

So, Mr. Speaker, I think it's very important to put forward the salient features of what occurs with sour gas management, how we've got a policy structure with the Alberta Energy and Utilities Board, how we've got a Department of Environment that monitors its particular pieces, how we have industry standards that use stainless steel in their couplings and in their pump jacks. There's a great deal of research and information already done on this. There's an \$18 million study on the effects of sour gas on animals.

The Speaker: Thank you. I would invite the hon. minister to return tomorrow under the Routine for Ministerial Statements.

Cattle Industry (continued)

Dr. Pannu: Mr. Speaker, one month ago today an official in the Ministry of Agriculture, Food and Rural Development said that allegations that packers are gouging cattle producers were investigated but that no wrongdoing was found. Later this week the ministry will release another study, which no doubt will reach the same conclusion despite powerful evidence to the contrary. A question to the Minister of Agriculture, Food and Rural Development: why should cattle producers and consumers put any faith in the carcass evaluation study to be released later this week since her officials already decided a month ago that packers didn't do anything wrong?

2:30

Mrs. McClellan: Mr. Speaker, it wasn't my officials that decided a

month ago. My officials have undertaken to do a carcass evaluation for me because – if the hon. member were familiar with slaughtering animals and how that animal is marketed, he would know – the information in that preliminary or for-discussion-only document from the beef industry that they refer to was incomplete and inconclusive. Instead of standing up in this Legislature and talking like this was a done deal and that the cattle producers supported this, he would explain that it had all been sent back to committee for further study because it was incomplete and inconclusive, but the hon. member wouldn't know that because I understand he wasn't invited to the meeting and wouldn't be a part of the discussion.

Mr. Speaker, I have said in this House that this is a serious issue. We have a multibillion dollar industry with spinoff components of it in every reach of this province including the capital city, where about 100 companies process agrifood products and ship to a hundred companies in the world, and similarly in Calgary and in many other communities. This is too serious to politicize, and to try and make political gain by coming to attention 10 months after the fact and realizing that we have a problem is unconscionable.

Dr. Pannu: To the same minister: are the same officials who did the study a month ago that cleared meat packers of any wrongdoing also involved in doing the study to be released later this week?

Mrs. McClellan: Mr. Speaker, I am struggling to understand which study the hon. member is referring to. I referred to two documents. One was to the federal standing committee on agriculture from the commissioner of the Competition Bureau. That is not who is doing the work for me. The people who are doing work for me are the people who have access to the information as best we can get it, which is my department.

Mr. Speaker, to suggest before the study or the review, which is really what it is, or the evaluation is done that it's going to be wrong speaks to the political nature of the question. The honourable thing would be to wait until the information comes forward and challenge it with fact. That's what's missing in this discussion.

Mr. Speaker, anybody can stand up in this House and bandy things around, but I would ask the hon. member – although I understand that that community may not be a high supporter of the NDs – that they take into account the hundreds of thousands of lives of employees of that industry in this province whose livelihoods are at stake.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. My second supplementary to the minister: will the minister table in this Assembly today the findings of an earlier ministry investigation into allegations of price gouging, and if not, why not?

Mrs. McClellan: I can't table something that I am not aware of. I've asked the hon. member to send across to me the information that he has that suggests that my department has done a study. Have they formed an opinion? Have they looked at this? Perhaps.

I asked them to do a carcass evaluation for me because I like to deal in facts, and, Mr. Speaker, I don't have that yet. I did check with the department yesterday again, and they anticipate that they would have that information for me on Friday. I have said that I will share it, and share it I will. But I would ask the hon. member again as a courtesy to send a copy of the document to me, and I would be pleased to respond to him. I don't think I've ever backed off from responding to any question in this House.

head:

Recognitions

The Speaker: Hon. members, 30 seconds from now I'll call upon the first of seven to participate today.

The hon. Member for St. Albert.

Saville Sports Centre

Mrs. O'Neill: Thank you very much, Mr. Speaker. On February 28, last Saturday, the Faculty of Physical Education and Recreation at the University of Alberta celebrated the grand opening of the Saville Centre, which houses new curling sheets and tennis courts on the south campus of the University of Alberta. Mr. Bruce Saville was a major donor to this fabulous new sports centre which appropriately and proudly banners his name.

Let me tell you about this facility which is designed to serve the university community as well as the broader community. It has 10 state-of-the-art sheets of ice for the use of professional and amateur curling teams as well as students and future phys. ed. teachers plus eight indoor tennis courts which will accommodate international meets and programs for young and older able and disabled tennis players plus a 9,000 square foot gymnasium, steam baths, hot tubs, locker rooms, and a lounge that will accommodate 600 people.

Mr. Speaker, the Faculty of Physical Education and Recreation at the U of A can be very proud of this wonderful facility which was built with the vision of John Barry, under the leadership of Dean Mike Mahon, and with the generosity of Mr. Bruce Saville.

Second Playing Space, Timms Centre

Mr. Maskell: Mr. Speaker, the arts in Alberta are a dynamic contribution to our cultural, economic, and social fabric. Today I want to recognize an exciting new development in Edmonton's growing arts scene.

On March 1 the University of Alberta unveiled its newly equipped Second Playing Space in the Timms Centre for the Arts, which will provide students, faculty, and community theatre groups with a new learning and performance venue. Second Playing Space is a wonderful and needed addition to our theatre community. With the upcoming renovations at the Jubilee Auditorium and the loss of the Kaasa Theatre in the lower level, it will help smaller theatre groups to showcase their craft, particularly during the summer months.

Mr. Speaker, on behalf of myself and the Minister of Community Development I ask all members to join us in congratulating and in thanking the University of Alberta and Ruth Timms Nishioka for their outstanding support for the arts in Alberta.

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

Alberta Seniors

Ms Blakeman: Thank you very much, Mr. Speaker. It's my pleasure today to recognize Alberta seniors who have been forced by this government to fight for more money for seniors' programs. Just last week more than 20 seniors from the Coalition of Seniors Advocates, COSA, demonstrated outside of Calgary's McDougall Centre in an attempt to get this government to recognize that seniors have been hurt by their cuts to the programs and desperately need to share in the provincial surplus.

These brave men and women are fortunate to be able to take a stand on behalf of all seniors. Many of those hurt by this government's cuts and underfunding are not physically able to demonstrate. Many are in long-term care where they're now paying 42 per cent more for care than this time last year.

Alberta seniors deserve better. Our seniors deserve universal

programs for dental and optical care, premium-free health care, a safe home, and reasonably priced access to care should they need it.

Fortunately, seniors won't take no for an answer, and groups like COSA, SUN, Alberta Council on Aging, Elder Advocates of Alberta, SALT, One Voice Seniors Network, and the Liberal opposition are willing to fight for the rights of all Alberta seniors.

Thank you.

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

David Angus

Mr. Hutton: Thank you very much, Mr. Speaker. I am honoured to have the opportunity to rise this afternoon and recognize a dear friend, a constituent, and an Edmonton business leader, Mr. David Angus, who very recently joined the board of governors at St. Michael's University School in Victoria, B.C.

St. Michael's University School is a co-educational, independent K to 12 and boarding school of 850 students which specializes in educating students looking to pursue higher learning. Ninety-nine per cent of the students graduate and pursue postsecondary education including top universities across Canada, United States, and the world.

David and his family have had a long affiliation with the school, Mr. Speaker. David attended St. Michael's from 1957 to 1962 and graduated as head prefect. His two sons, Sasha and David, and daughter, Jennifer, are also St. Michael grads. I'm pleased to say that Sasha is currently enjoying an illustrious career with our own Minister of Economic Development. I would like to take this opportunity to thank David on his commitment to our city and business sector and congratulate him on his appointment.

Thank you, Mr. Speaker.

2:40

Spitz Sylvan Lake Ice Marathon

Mr. Ouellette: Mr. Speaker, I rise today to recognize Mr. and Mrs. Evert van Benthem, Mr. and Mrs. Dirk Appel, and Mr. and Mrs. Peter Yss, and the Foothills Speed Skating Marathon Association. On February 26 and 28 the association held the second annual Spitz Sylvan Lake Ice Marathon, a tribute to speed skating and the three men's Dutch heritage.

Folks in the Netherlands treat speed skating like we treat hockey. It is their national sport, and their Stanley Cup is the Eleven City race, which covers 200 kilometres and draws more than a million spectators.

Evert van Benthem is the only two-time winner of the Eleven City race, and today he farms in Spruce View. Together with Mr. Appel and Mr. Yss and their wives they re-created the Eleven City race on Sylvan Lake in '03, and they continued the tradition this year. This year more than 100 skaters came from the Netherlands to participate in the 200-kilometre race along with competitors from Canada and the United States. As well, many local skaters competed in other events. In total, more than 500 speed skaters competed on the weekend. It's safe to say that this year's event was an exceptional success, and I can hardly wait to see next year's, which we all know will be even better.

So thanks to them and thanks to you, Mr. Speaker.

The Speaker: The hon. Member for Redwater.

Edmonton Garrison World's Longest Hockey Game

Mr. Broda: Thank you, Mr. Speaker. On February 18 I had the pleasure of attending the official opening of the Edmonton Garri-

son's longest outdoor hockey game. It's also my pleasure to recognize Sergeant Rick Dubé, a driving force behind this event, and the 39 other Edmonton Garrison-based soldiers in their great efforts to set a new Guinness world record in playing the longest hockey game. This event was supported by the United Way, with all fundraising proceeds to be donated to the Stollery Children's Hospital Foundation. Last week, unfortunately, due to Mother Nature and plus 6 temperatures the game had to be called after playing 87 hours and 20 minutes on extremely bad ice conditions. The score was 1,186 for the black team versus 951 for the red.

Congratulations to all on your efforts, and good luck for next year. They are also accepting donations today. Thank you.

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

International Women's Day Edmonton Committee

Dr. Pannu: Thank you, Mr. Speaker. March 8, next Monday, is International Women's Day. There'll be numerous events held to celebrate this day around our city, our province, and the world. The International Women's Day Edmonton Committee has organized events to celebrate International Women's Day for many years.

For the past two years the committee shifted their focus in the way they celebrate March 8 by participating in V-Day, a global movement to stop violence against women and girls. Through V-Day campaigns local volunteers and college students produce an annual benefit performance of *The Vagina Monologues* to raise awareness and funds for antiviolence groups within their own communities. By organizing and presenting these performances of Eve Ensler's original works, this vibrant and energetic committee last year raised \$10,000 for the Alberta Council of Women's Shelters.

This year the beneficiaries are Planned Parenthood Edmonton and the Sexual Assault Centre of Edmonton. The benefit played to a full house this past Saturday.

I recognize and congratulate this committee for their commitment to women here in the province of Alberta and around the world.

Thank you, Mr. Speaker.

head: **Introduction of Bills**

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

Bill 16 Residential Tenancies Act

Mr. Graydon: Thank you, Mr. Speaker. I request leave to introduce a bill being the Residential Tenancies Act.

We heard earlier today that there's been extensive consultation with stakeholders, landlords, and tenants regarding the changes contemplated in this bill, and it will update what is already very good legislation.

Thank you.

[Motion carried; Bill 16 read a first time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that Bill 16 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you, Mr. Speaker. It's my pleasure today to table the requisite number of copies of the Safety Codes Council 2002 annual report. As you know, the Safety Codes Council is a valued partner of this government and in particular my department, Municipal Affairs. The council works on behalf of all Albertans, and it's my pleasure today to table the requisite number of copies, and certainly I want to say that I appreciate their good work.

Thank you.

The Speaker: The hon. Minister of Energy.

Mr. Smith: Thank you, Mr. Speaker. It's a pleasure for me today to table to you and for the House the government response to recommendations of the Advisory Council on Electricity.

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

Mr. Hancock: Thank you, Mr. Speaker. On behalf of the Premier I would like to table for the House five copies of the letter which he referred to in question period today from the Alberta Beef Producers, which references that the support of the government has been vital to the carrying on of the industry and the good work that's been done by the Minister of Agriculture, Food and Rural Development in that regard.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I would like to table for the benefit of all hon. members of the Assembly a letter that I received from the hon. Minister of Energy on September 30, 2003.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I'm tabling a document showing that Alberta Agriculture had investigated allegations regarding the packers gouging feedlot operators but had found no wrongdoing.

Thank you, Mr. Speaker.

Speaker's Ruling Oral Question Period Rules

The Speaker: Hon. members, we had a discussion yesterday about interventions and points of order and the like. Before I get to the two points of order that have been identified today, let me just note seven additional possible opportunities for intervention today by the chair.

Let's see. On two occasions the chair did intervene to ask the Premier to terminate his answers and sit down and did the same thing for the hon. Member for Calgary-West.

He might have intervened once when the Premier mentioned the name of the hon. Member for Calgary-Lougheed in this Assembly, which is a no-no, and then the hon. Solicitor General got around that same thing by referring to a certain member by the name of Heather. Then the hon. Minister of Human Resources and Employment did the same thing by referring to an hon. member as Clint. So it's kind of an interesting approach.

There would have been a point as well when the hon. Minister of Health and Wellness – Government House Leader, this is a point for yourself and the hon. Opposition House Leader and the House leader of the third party, and this could have been an intervention by the chair, but it was not – mentioned that one should not mention the

names of certain individuals with respect to a certain issue, yet a document had already been tabled in the House identifying the names of those individuals, and the leader of the government had already mentioned one of those names in a response. So there's a circuitous thing in here that if a document's going to be tabled that has names on it and becomes part of the public record, well, just how are we supposed to not deal with it if it is part of the government record?

Hon. Member for Edmonton-Highlands, a couple of words were used here that certainly could have caused interventions. One was the word "cover-up," and the other one was the word "arm-twisting," almost to suggest that something that happened that was innocuous shouldn't have happened.

Those are just seven or eight interventions that really could have occurred but didn't occur.

Now we'll deal with the hon. Government House Leader and his point of order.

Point of Order

Preambles to Supplementary Questions

Mr. Hancock: Well, thank you, Mr. Speaker, because I think that really highlights the point of both points of order this afternoon. In fact, I counted a considerable number more that I thought would have been appropriate for intervention.

The point of order that I am rising on first references the second supplemental to a question by the Member for Edmonton-Gold Bar, and I'm rising under *Beauchesne's* 409. The supplemental was something to the effect – and I don't have the Blues, so I'm not quoting exactly – that given that the government lulled the industry into a false sense of security. There are a number of problems with this type of statement.

First of all, under *Beauchesne's* 409 "it must be a question, not an expression of an opinion, representation, argumentation, nor debate." There's been a practice in this House to get around the concept of the rule that says that you can't have a preamble to a supplemental, which is also rule 409(2) that a supplemental does not need a preamble. There's been a method of getting around that by putting "given" in front of a statement as the first clause to a question, thereby saying that it's not a preamble, that it's actually part of the question. I think that in actual interpretation anything that is extra to the question is a preamble whether it's part of the same sentence or not, but that's a question for another interpretation.

2:50

The part that I'm concerned about here is the continuing use of preambles in questions and supplementals by members of the opposition to put matters of argumentation into the equation rather than to state facts upon which they are going to base their question. It's not a given that the government lulled the industry into a false sense of security. It could not be a given that the government lulled the industry into a false sense of security, and it was entirely inappropriate, Mr. Speaker, to put that in as a preamble to the question, which is often done, therefore requiring that one negate the preamble rather than answer the question.

The Speaker: The hon. Opposition House Leader.

Ms Blakeman: Thank you very much for the opportunity to rise and respond to the Government House Leader's point of order. Just very quickly I will note that in the concern that he raised about beginning sentences with "given that," in fact on February 25 – that's a long time ago – I think about 1998, page 557, the Speaker did note that starting a supplementary question with "given that" was quite

acceptable. We are following, as always, good advice, but just to clear that up in case there was some dispute over it.

Now, what we have, in fact, was that the Member for Edmonton-Gold Bar said, "Given that this government led producers into a false sense of security by giving the impression the borders would be open in the new year" and then went on with a question about responsibility and sharing financial burdens. We are basing that on our understanding of, in fact, what people who have contacted us have said.

Now, is it possible for both things to be happening at the same time in this House, where we have the minister stating without any uncertainty that she did not give an impression that the borders would be open and members from the opposition feeling that, in fact, that impression had been given? Of course, that can happen. It's not at all uncommon that we have the two sides of the House often having different experiences over the very same issue. We may well be contacted by different people expressing different points of view.

So was the Member for Edmonton-Gold Bar contravening something by saying that producers had a false sense of security? No, I don't think he was. In fact, when I looked at the documentation around the time that we're referring to, part of the facts in this is that it was around "the impression the borders would . . . open in the new year," which would have been January or February: now.

If I look at a news release put out by the government on October 31, in fact there's quite a bit of discussion from the minister, which is then quoted in other newspaper articles. She does comment on the rules that have been put forward by the U.S., and in fact if those are accepted, then the borders would be open within 60 days. So that puts us into the time period that we're talking about, and indeed – and I will not table the news release in the House – we have the minister responding to that. It is "extremely good news." It's "very encouraging," very "encouraging to note." A number of things.

So that's easily available to anyone in this House. In fact, her points about it being encouraging and it being very good news are in fact reflected in other newspaper stories. So even according to *Beauchesne* 494 it is quite possible that we have two points of view having to be both taken as truth at the same time.

The question itself did seek information, and it was therefore satisfying the major requirements of *Beauchesne* 409, and it was asking the correct minister, who had within her administrative responsibility the issues that were under question. So I would contend that there is no point of order under *Beauchesne* 409 with reference to the question from the Member for Edmonton-Gold Bar.

Thank you.

The Speaker: Others?

Hon. members, the chair has listened very carefully to the arguments given by both the Government House Leader and the Opposition House Leader, and having listened attentively to all of the discussion with respect to it, anything that would impute motives and false motives of a particular nature, of course, would definitely have met the test for a point of order.

In this case it appears to be a disputation of facts, recognizing that this is a highly, highly emotional issue, had been a highly emotional issue at the time, and will continue to be. Countless numbers of producers on almost a daily basis are contacting Members of this Legislative Assembly and asking them the question: when do you think the border will be open? And responses are given at various times.

I hope that that's not a false sense of security given by everyone, but virtually everybody in the cattle business in the country of Canada is contacting not only the members of this Assembly but federal Members of Parliament and everyone across this country for

some form of assurance. I hope that wasn't imputing a negative kind of thing with respect to this, so we'll deal with that.

I'm not sure if *Hansard* caught the words, but there were some words echoed at about the same time as this question was being raised, something to the effect of: what an idiot. I'm not sure if *Hansard* will pick that up. It won't be helpful, again, because it certainly would not be pertinent language but, nevertheless, perhaps echoed.

The hon. Government House Leader.

Point of Order

Allegations against a Member

Mr. Hancock: Well, thank you, Mr. Speaker. Again I rise under *Beauchesne's* 409. Not to belabour the point, but the fact that the Member for Edmonton-Centre went into some debate over the preamble clearly indicates in my view that that was argumentative and called for debate.

I would suggest that the same is true of the supplemental question raised by the Member for Edmonton-Riverview, in his preamble, when he referred to the Premier brushing off questions about a person he was referring to who had attended at a hospital in Calgary. That is an allegation, and it is an allegation of some serious import.

Now, again, in reference to what has just recently been said about using the term "given that," turning a preamble into a question, I wouldn't at all want to debate that you can't make a statement in a supplemental starting with given that. That's a time-honoured tradition, it seems, of the House. The question of whether it's a preamble is really a question of what's in the statement, not that it starts with or doesn't start with given that. The point that I was making is that you can't turn a preamble into a question simply by adding given that. You have to really deal with the context.

In this case there was a preamble, and in this case the preamble clearly, I think, didn't adhere to the proprieties of the House pursuant to 409(7) in that it imputed motives and cast aspersions because clearly it is an aspersion against the Premier to suggest that he's brushing off a serious allegation with respect to people who have to attend at hospital or who have serious illness. We spend a huge amount of time in this House and in this government, huge amounts of people's money are spent by government, 36 per cent of the budget, if I remember correctly, last year on health care issues.

I won't go further into the details because I think there were quite considerable answers given in question period today. I don't think there's anything wrong with the opposition or anyone in this House asking questions on important matters, but in asking those questions, it is wrong to impute motive or cast aspersions on the character of other members of the House by suggesting that they don't treat those questions with respect to individuals that are being talked about in a serious manner. This definitely was a violation of 409(7).

3:00

The Speaker: The hon. Opposition House Leader

Ms Blakeman: Thank you very much, Mr. Speaker. I think that once again the Government House Leader and I are engaged in questions of interpretation and definition. He is referring specifically to the use of the words "brush off," that were part of the preamble for the question from the Member for Edmonton-Riverview. Well, what does brush off in that context mean? It means sweep aside. It means not deal with, in essence. If he'd like to argue with me about those definitions, I welcome him.

When I go back and actually look at the question and that exchange that happened on February 25 occurring on pages 150 and 151 of *Hansard*, in fact there's a direct question from the Member

for Edmonton-Riverview to the Premier asking the Premier what excuse he offers specific to a particular person, situation, stroke victims in a particular hospital.

When I look at the answer that the Premier gave, he comments for some several sentences on his approval rating, which I don't think is specific to the question of either stroke victims, elderly people, or the Foothills hospital. If I continue on and look at the rest of the answer given by the Premier in response to that direct question, he gets into discussing things like electronic health records, physician funding models, wait list registries, and telehealth and then gets into some MRIs, again not dealing directly with the question that was asked of him.

So did he brush off the direct question around stroke victims and that particular hospital? I think it could be argued or certainly interpreted that he did. He did not refer to any of the things that were the key ingredients of the questions that were asked.

Has the Member for Edmonton-Riverview offended *Beauchesne's* 409(7) in imputing a motive? Certainly not. He doesn't impute any motive to the Premier's comments. Does he cast aspersions upon the person? No, I don't think he did. He gives a fairly accurate recounting in his terms of the exchange that occurred between himself, the Member for Edmonton-Riverview, and the Premier the week previous. So I would argue that there is no point of order here.

Thank you, Mr. Speaker.

The Speaker: Hon. members, everything must be taken in the context of the question and the impact of the words. In this case part of the give and take in question period would suggest that "brushing off" here is not detrimental to anyone with respect to this particular matter. However, they do become personal, and that's where the chair has a problem. If we stick to questions with respect to government policy, then we avoid these kinds of situations.

head:

Orders of the Day

head:

Government Bills and Orders Committee of the Whole

[Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order.

Bill 14

Appropriation (Supplementary Supply) Act, 2004

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

Dr. Nicol: Thank you, Mr. Chairman. I'll just rise to make a few brief comments about the Appropriation (Supplementary Supply) Act, 2004. One of the things that is quite evident as we go through the review of this appropriation is that over the past year Alberta has faced its share of uncertainty, with forest fires, with agriculture, with increased revenues needed for specific growth patterns in different departments. These are the kinds of things that one would normally expect a piece of supplementary supply legislation to address in the sense that when best knowledge is used to make projections in a budget and we end up with different growth patterns, different disasters, different relief programs that are needed, you show that if we have in effect done a reasonable job of budget estimates, we can expect that in some years not all of them will be right on.

If we look at some of the issues that come up in dealing with the appropriation bill – I went back and checked in *Beauchesne*. It says

basically: to further existing programs. And the one that's interesting is "for a new expenditure on behalf of a newly-enacted statute."

Yet what we're seeing are a lot of new expenditures here for new initiatives that are not supported by a statute. In effect, the government is putting in place new initiatives, new programs mid-year rather than during the legislative debate that comes in a legislative session. It doesn't come through proper budget debate of new programs, doesn't come through notification of intent in the Speech from the Throne. So what we're seeing here are quite a number of actual new initiatives just being put through in supplementary supply without full legislative recognition and debate being introduced.

If you go through and look at them, in Health and Wellness there's the Alberta Wellnet; in Human Resources there's the skills investment program; under Infrastructure there were the dollars that were needed for the natural gas rebate. That in many ways is not a new program because it was put in place as an ongoing program which they didn't expect expenditures for, and therefore they were not in the budget for last year. If we get down under Innovation and Science, there are new initiatives that talk about compliance with the Auditor General, and these should be in effect brought through the legislative agenda again where there's an open debate on how we make sure that the new initiative does comply with the Auditor General's requirement.

When we get down to Learning, we see that there's a new initiative in apprenticeship, trade, and occupation. There's a new program, the Alberta heritage scholarships, under Learning, as well.

When we get into Revenue, there is the purchase of an investment risk management system. This is the kind of investment that should be dealt with through proper budget debate when the process is complete rather than through supplementary supply.

When we get to Seniors, there are also a couple of new programs there in support of the needs of seniors. Under Sustainable Resource Development I guess this is an ongoing one that I talked about originally, the risk associated with needing to have an increase in dollars for inadequate estimates in the original spring budget.

If we look through here, there's really a pattern that emerges in the sense that there are a lot of new initiatives that are funded through this supplementary supply bill that are in support of programs that have not truly had the full public debate that would be associated with programs that were passed and enacted during the full budget debate in the spring. I think we need to look seriously at that and see whether or not we are using the supplementary supply fully.

I think that if we go through there and look at some of the individual components, the main thing that we see is that, you know, in Health there are programs that come out for the West Nile virus. I don't think any of us really understood what the implications of it would be on Alberta a year ago, so the fact that there's new money being added now to cover what we had to do in the past to be proactive on that front would be really quite useful.

3:10

The other is for the increased cost of the nongroup health benefit program, and this is, I guess, a matter of: are those increased costs for the same program, or is this increased costs for new initiatives that are put under Blue Cross coverage? So we need to look at it from the point of view of, you know: is it just expanded use?

It would help us judge and review the effectiveness of the supplementary supply system and the purpose behind that supplementary supply if that kind of information were made available because, you know, we're talking here about \$2,165,000 being put in for nongroup health benefits. What was the reason for it? I guess that what we need to do is have a little bit of an explanation for each of these items similar to what we get in the main budget when we're

given that kind of information. There needs to be an explanation of what it's being put out for.

You know, when we end up with basically almost a 10 per cent additional allocation in the budget, one begins to wonder what the purpose of the original budget was when the government over a period of a year introduces that many new programs, introduces additional expenditures in that many ongoing programs that they're dealing with. To even further complicate it, we're dealing here with the fact that in the fall session we passed another supplementary bill that, in effect, also increased expenditures to the government by about a billion dollars, and that's in association with, you know, the issues of, again, forest fire fighting and the BSE program supports that were put in place.

So, you know, the degree to which we get full coverage and full debate that can come out on these really needs to be looked at so that as legislators we can go back and talk to our constituents about whether or not these were good.

In terms of the focus that comes out as we look at this, the main programs that we saw under the seniors' program – this is basically a government action. When they started talking about how they were going to help low-income seniors, what they were going to do for the affordable housing program, that, especially the affordable housing program, was being proposed at the time of the last budget, and the dollars that were needed for that should have been estimated, should have been predetermined and put into that spring budget rather than being left and then put into a supplemental budget.

What it does is it sends a signal that, you know, this is important to Albertans, that we will be dealing with it. The exact amount can be adjusted later. But what we end up with is having to have a program there that talks about where this government stands on things like affordable housing, access to housing for seniors, access to care in long-term care facilities.

The idea that we don't seem to have the long-term plans in place that allow for a more accurate estimate of our full budget in the spring seems to be something that the government needs to address. They handled the idea of stability; they handled the idea of natural resource revenue variation. That, in effect, is being looked at now in the budget.

We need to go farther and make sure that as we go into dealing with our full budget process, we do have some mechanism in there to justify the estimates that are made with respect to the uncertainty that's associated with budget on the expenditure side. We've done things now to talk about the uncertainty that's associated with revenues. Let's start looking at how we make sure that risk analysis and risk management get put into dealing with the expenditure side because, you know, we're off by quite a bit on some of these programs when we look at them relative to their original expenditure levels.

Mr. Chairman, I think that kind of gives an idea of where I think this should go. The programs specifically are in an order that they do reflect all of the components that are associated with the main intent of the budget, but there's still again those new initiatives that came because of government action halfway through the year to programs that were already being discussed at budget time and to new initiatives that showed because the government didn't commit to the appropriate expenditure pattern at the time.

I think that it's important that as we go through looking at what is that purpose behind a supplementary budget, we really go back, you know, and read what *Beauchesne* says and talk about the purpose of it. It shouldn't be just, you know: well, we don't have to deal with this now because we've got supplementary supply; we can put it in there. We should be looking at what is an appropriate budget when we do the overall budget and the overall financial planning position

for our province, and then this should be in effect fine-tuning rather than a change in direction, rather than a real new program initiative process.

I think it's important that we do make sure that there is consistency and that there is predictability to our budgets because when we start doing this, it in effect increases the baseline of the budget, which we act on again next year, which expands that base, and in effect it gives us two chances to up the budget when we should be looking at what we are doing to make sure that dollars are spent appropriately, that dollars are spent effectively, and that we do get the intent out of the dollars that we spend in this province.

You know, some of the monies that we have spent in the last year have been questioned. They've been addressed by different groups as being not what was expected, and if we're going to be able to carry through and fully answer the questions that these groups raise, we need to be able to say: yes, there was full documentation given; there was full explanation given; there was full interrelationship provided as we did the budgeting process. That only comes with the debate that goes on in the spring budget as opposed to the limited debate that we have to deal with individual programs in the context of the overall plan of the province when we get supplementary appropriations.

You know, it doesn't seem like what we're doing here is effective planning. It's kind of: well, we had to change directions; let's make do. I don't think Albertans want us to make do. They want us to show that we do have effective planning in place, that we are committed to stable budgets, predictable budgets that don't have to be dealt with on a three-times-a-year basis.

That's what we've been doing. Almost every year that I've been in this Legislature, we've had the budget passed, we've had a fall supplement, and we've had a spring supplement before we get interim supply, before we get the next budget. That doesn't create confidence in Albertans that we're really thinking about what we're doing when we put together budgets, that we're thinking about what we're doing when we're putting together a plan of action and a plan of public support, a plan of good government for the province.

So I think it's really important that we end up making sure that in the future we have better processes in place for our budgeting on the expenditure side and that we do have a relationship between those expenditures and the debate that goes on in the Speech from the Throne, the debate that goes on in the primary budget in the spring, so that when we go out to Albertans we can say: see; this is how it fit.

3:20

If we look back over the last year, Mr. Chairman, I think there are a couple of real issues, the BSE and the forest fires of last summer. Nobody could have predicted those at budget time. So supplementary estimates in connection with that type of uncertainty, I think, fits into the general purpose of supplementary supply, you know, kind of the philosophical intent of supplementary supply. It's something that was not anticipated. It was something that could not have been addressed in the original budget.

Most of these programs that we're giving extra dollars to here, most of the programs that are new initiatives were being discussed last spring, were being dealt with last spring, and their estimates should have been in the budget for them. The ministers have leeway in their budgets as they're presented. They could have fit fine-tuning into that leeway and made it work.

So I think that that's one of the things that struck me as I went through and looked at this supplementary supply, that we really had to make sure that in the future we look at how our long-term plan fits with the wishes of Albertans and we build that into a stable budget-

ing process on the expenditure side. That hasn't been done through the new financial approach taken in the spring, when we put in place the stability funds, when we put in place the transfer of dollars from the natural resource revenues. So we need to look at that. We need to make sure that we do have stability built into both sides, the revenue and the expenditure of our budgets, so that we do have predictability and direction given for Albertans.

Thank you, Mr. Chairman.

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

Ms Blakeman: Thanks very much. My first set of questions I'm going to direct to the Minister of Seniors and housing. If we could get responses from him, that would be great. I know that the Minister of Justice was supplying us with answers last week, so I'd appreciate hearing directly from the man in charge.

A couple of questions. The money that's going to the year-round and seasonal beds in the homeless shelters: I understand that that is dedicated to Calgary. The complete amount of money that's requested through the supplementary supply has all gone to Calgary, and I'm aware that they were under some distress to get assistance, but I'm also aware that there's an equal demand in Edmonton. Being an Edmonton MLA, I'm wondering why Edmonton didn't share in any of the money. If he was going to come forward and ask for additional funds for money already spent – I understand this is already gone – why didn't he come forward and ask for money for Edmonton as well? Why does Edmonton have to wait? That's question one.

An observation and a question as well. The additional \$4.5 million to assist the increased number of low-income seniors with the cost of long-term care accommodations. Now, this is around a planning, timing question, if you will. The notification for the increase in long-term care was given somewhere around the 19th, 23rd, or something of June for increases to take effect on the 1st of August, so inside of the fiscal year that we're still in.

I'm wondering why the choice was made to institute the increase for the 1st of August because it inevitably was going to require the minister to be coming and asking the Assembly for an increase in order to cover those who are experiencing financial distress as a result of this August 1st increase. Why the choice of August 1? Why didn't the minister wait to have the rates go up until the 1st of April, 2004, in which case the increased funds that he's requiring could have been part of the next budget cycle?

So when I see this as a package, I do question the minister about the timing of the increase that was given. Why did they choose the 1st of August when it meant they were to come back? I'm basing this on a premise that it's not something to be proud of nor is it something to be taken lightly that the government has to come back and ask for supplementary supply, this being the second supplementary supply that we've had in this fiscal year.

I mean, ideally we have a plan and the government is able to stick to it. That's why we debate the budget at length and it's approved, and I expect the government to stick to it. So if they don't, then I'm expecting there's some sort of extraordinary reason for that; for example, fire prevention or fighting fires, fighting floods, or emergency services. That certainly can't be expected.

But in this case it was very expected. There was notice given. I would argue not enough notice, but there was certainly notice given for the increase. Why the choice about when it happened? So if I could get details around that, please.

The \$5.5 million for increased provincial funding under the Calgary, Alberta, affordable housing agreement: is this flow through? Is this money that has come from the feds? It's passing

straight through the province. They're not adding anything to the bank balance. They're just shooting it straight on out to the worthy projects. Can I just get confirmation on that? That's my impression: that, in fact, the province has received this and is now spending it. Yeah, there's no incoming revenue line shown here, but I'm presuming that's what is happening. So if I could get the minister to respond to that as well.

Could I know to what projects or to where the \$4.5 million was directed? Who is the recipient of that?

Now, going back to the lodge costs. At the time the reasoning of a number of press releases and responses that we heard from various members of government around the increase for long-term care was that this would result in better: more staff, higher levels of staff, better food. I think one of the ministers was saying that this was about fresh fruit and good garden vegetables for everyone to eat.

What I'm hearing is that they really haven't seen any difference, and I think some people would argue very strongly that there has been less service, less of everything in long-term care. So when do we expect to see better? When do we actually see the fresh fruit? Is there some sort of time that I can pass on to those people that phone me and say, "When is this happening? We haven't seen any improvement at all."

I've gone through the *Hansard*. I did read the responses from the Member for Edmonton-Whitemud, the Attorney General. I don't see the answers to these questions. If somehow I missed them, my apologies. I hope I'm not repeating. But I'd like to know: what was the increase in the number of seniors that required assistance as a result of the long-term care fees increasing?

We've actually got two different kinds of people that would be requesting assistance through Alberta seniors' benefits or the special needs program. You have people that were already receiving Alberta seniors' benefits who now need the additional funds from the ministry to be able to pay the increased bill. The question I'm asking specifically here is: how many people slid below the line? In other words, they now require assistance that they didn't need before. So what's the increase in the number of people who've asked for assistance that's directly tied to the increase in the long-term care rates?

The Member for Edmonton-Whitemud did give some numbers. He was talking about that 48 per cent of seniors living in long-term care were eligible for supplementary benefits. That doesn't mean that they asked for them and took them. Later he's talking about a different number, with 57 per cent receiving supplementary assistance, which is actually a larger number. So I'll just ask for clarification there.

3:30

I'm also interested in how many more seniors requested Alberta seniors' benefits assistance citing increased power bills and increased insurance costs as the reasons that they now needed to come to the government for assistance. Has the government done any kind of analysis going back three years or going back five years to say that these are the pressures that seniors are experiencing? I've noticed that there's a new section in the budget document that the government is producing in which they talk about the pressures that they feel are particularly affecting them, environmental factors I think sometimes they call it. So what are the factors that are affecting seniors needing to come to the government for assistance? I think that's part of why we see the need for this additional 4 and a half million dollars.

I'm also looking to the minister for a discussion around efforts to reduce the need for funding from the government for homelessness; in other words, to find some kind of housing for them, affordable

housing in the sense that it's low-cost housing. I had a meeting with members from the Edmonton builders association – I think that's who it was – and they raised a number of points. They're cognizant of the need for and their part in providing social housing. They were looking for some consideration from all different levels of government so that their costs were lower. If they understand what the need is, I'm wondering where the government is coming from.

There are always two sides to homeless funding. One is enough mats on the floor, and two is places that people can go and actually not need a mat on the floor, move into some sort of housing, even if it's a boarding house situation, someplace that they call home, where they go to over a long period of time. What I see is more and more and more need for mats on the floor. So we're not actually addressing the homeless problem. This was raised on February 25, but the answer that was given was inconclusive.

So I'm giving the minister an opportunity to shine here with the plans that he has around this so that we don't see him coming back next year looking for another \$900,000 – it's almost a million dollars – in assistance. Maybe next year he'll be looking for that assistance for Edmonton, seeing as this year it went to Calgary. I hope that doesn't have to happen, but I'd be interested in what the plans are here.

I also have questions for the Minister of Learning, but if I could prevail upon the Minister of Seniors to answer those questions, I can sort of complete that package. Thank you very much.

The Deputy Chair: The hon. Minister of Seniors.

Mr. Woloshyn: Thank you very much, Mr. Chairman. I'll try to address the questions as best as I can here. With respect to the homeless and the request for funding there, I don't play nor will I play the Edmonton versus Calgary game, so when I hear that Calgary got some and Edmonton didn't, there's something wrong. It's rather irritating, because we look at what is required. It's not only irritating; it's also very misleading. I guess that since Edmonton got more through our Alberta/Canada housing program by some \$600,000 last year than Calgary, then I should reduce Edmonton's commitment there to keep it even, although the needs in Calgary, I'm sure, are equal to or higher than in Edmonton.

With respect specifically to the \$900,000 Calgary hit a crisis, if you will, in the need for mats, as you put it, which I certainly find extremely difficult to deal with in terms of my acceptability of them, because a large number of mats on the floor is not my idea of how people should be accommodated.

We took over the operation of the Sunalta Shelter for a variety of reasons, which I won't go into now. That was a part of that money. I'm sorry; I don't have the figures in front of me. We can break that out for you, if you wish, at some point later. The other part was that we decided to be proactive in the case and made an arrangement with the Calgary Drop-in Centre for some 200 emergency mats – these will all expire on March 31 – which is a crisis, if you will, that I'll be looking at again.

Edmonton did not come into the equation, thankfully, and I repeat: thankfully. Other than for the people with addiction problems – and remember that Calgary Drop-in Centre takes in everybody; that doesn't apply for all shelters. In Edmonton we had a problem with folks with addictions who didn't have a place to stay. A couple of years ago a 30-person trailer was opened up at the Herb Jamieson Centre. I'm sure you're familiar with that. This year through a partnership between ourselves and the Edmonton Joint Planning Committee on Housing fund, we've added another trailer there, meaning that basically almost all the people who would appear on a basis with some sort of intoxicants and were not eligible in shelters did, in fact, have a roof over their head.

So that left us Urban Manor. Urban Manor is not a homeless shelter. Urban Manor is a transition house, and this is where we have all sorts of confusion between what is a homeless shelter and what is transition. All homeless shelters don't have homeless mats. They have transition beds. We're trying to rationalize this whole thing in terms of what their functions are, who they're serving, and how they should be funded. That's something that will take a while to sort out. I believe Calgary Drop-in Centre looks after 800 and some odd people. All of those are not mat people by a long shot. A good number are transition.

Getting back to the Herb Jamieson Centre, not counting the trailers, we fund Herb Jamieson for 265 spots, whether they're used or not. I've just got the numbers for the first three weeks of February here. Here are the numbers that used Herb Jamieson. Remember that 265 is the magic number. I'll just go through February 1 through 23, and that's the last number I have here. February 1 was 183, then 184, 182, 209, 202, 169 on February 6, 181, 198, 195, 194, 192, 192, 179 on February 13, 188 on February 14, 195, 218, 217, 206, 189, 160 on February 20 – that gave us, thankfully, 105 spots that could have been used – and then 166, 190, and on February 23 it was 202.

The same cannot be said for Calgary. You would see that they were loaded right up to capacity. If you wish – I'm not going to table this right now – sometime I can share these with you, because we get the report on a nightly basis.

So to answer your question, Calgary had the need. Edmonton, thankfully, has a need for housing, but we didn't have an urgent, immediate need for mat spots. I hope that answers your question with respect to the homeless and the request there.

We'll do the affordable housing now too. The \$5 million, or \$5.5 million I believe it is, is new money to match monies that were already in the budget from CMHC. So we had a choice of either increasing it to match that or had the possibility of letting some money lapse or negotiating with CMHC to see if they would bring it over to next year. I was very fortunate in the fact that Treasury Board agreed that we had the projects provincially on the books where we could prudently use this money. It's all allocated through projects. The projects, incidentally, as they're released, are on our web site. It's easy.

We do have a process that we have to go through because we are 50 per cent partners with CMHC. We have to agree on the projects; we have to agree on the funding per project. That system, quite frankly, has levered a lot of money out of other areas, unbelievable amounts of money, and I must say at this point that I'm extremely pleased that Alberta is a leader in actually getting through the program. We're the only ones that have matching dollars.

A few months back we were the only ones that had suites already occupied under this particular program. We've had arrangements – and they're all available to anybody. Some are not-for-profit, some are municipal, some with Canadian Mental Health, and in fact we have some private projects both in Red Deer and in Edmonton where people who have, I guess, a big heart have come forward and have guaranteed affordable rates for people in need for a 20-year period. The agreement that the other provinces signed was for 10 years. So we've stepped way ahead of the group on this whole affordable housing business, and so far it's working quite well. As you know, we have two more years to go on the program.

So that, hon. member, was new money, which would translate into \$11 million, roughly, that would still come in this year, which would then end up being considerably more when you consider what the other partners, the municipalities or whoever, on the projects would put in. So it was a very good thing there.

3:40

With respect to long-term care there was far more than the 4 and a half million dollars to pick up the difference. I believe we have somewhere between – now, I'll have to verify these numbers at some point – 8,500 and 9,000 seniors who receive support from us. A good number of seniors which we did not assist – when the rates came through, they had changed their addresses from home to the long-term care facilities. We didn't know that because our cheques go through direct deposit. So they weren't actually accessing all of the funds that they could and should have and were entitled to.

The other thing that we did was implement at this time, as you know, the desire to have a \$265 residual income in there. That also drove it up a little more than what we had anticipated. So the amount of dollars that went into picking up the long-term care rates was considerable, and we had a 4 and a half million dollar shortfall for the year. That isn't the total picture. It wasn't bad planning. It was a matter that we didn't anticipate that those folks would be there.

The other things that I might add. There are two comments. One, the money went out prior to their needing the increase, so they had it in their pockets. Secondly, if you're wondering why August, why not wait, that's a very good point to raise. The reality is that some not-for-profit operators were telling us – and I had no reason not to believe them – that they would be in fact looking at closing beds, and that's something that in this climate we really couldn't have, plus the fact that the rates went up to I believe \$42 for a semi-private bed. It's not unreasonable for the services they receive.

In keeping with our philosophy of looking after the people in need, we have done just that, and my colleague from human resources, who also has people in there, has had to come up and work some things out there too. It was a good move. It was prudent. The timing I didn't like any more than anybody else. I'd have liked to give a longer notice, but I believe it was close to two months or whatever it was.

The point that you must remember is that anybody who had a need received the money beforehand, so in fact some actually ended up with a greater amount in their pocket than they had before the increase. We implemented the fact that they had to provide free cable, wander bracelets, incontinence supplies, which were all part of it, and the number of beds that were required. These were all surcharges that you didn't see, and that was bundled into it. So from that aspect I think it was done very well. As I say, we had the system going, and quite frankly the Auditor General will be looking at the involvement of seniors and ourselves, which we welcome.

We will be looking at some other things in terms of our ministry with respect to accommodation and responsibilities there. I believe the General hospital is in your constituency. If you take the trouble to go talk to the people there – Caritas operates it – you'll find that they anticipate through this increase about an additional \$670,000. Now, I'm going from memory here, so if I'm off on a number, please don't hold me to it.

They have already committed to two things: one, getting more staff, which has been a cry there, quite a considerable amount more, plus they're looking at menu improvements – whether or not that includes the fruit that you mentioned, I don't know – as per the tenants' wishes, which will cost them an additional \$300,000. As it pertains to the operators of the General hospital long-term care, all of the increase that they're receiving, they'll show you, is going right back into tenants' benefits, if you will. So we can't ask for a heck of a lot more than that.

I think that covers the questions. If there is something I've missed out, either give the office a call or drop us a note, and I'll try to cover it for you.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. I was interested in participating in the debate this afternoon on Bill 14 and certainly interested in the comments from the hon. Minister of Seniors.

Whenever one looks at the issues surrounding seniors, that the income does not necessarily meet the expenses at the end of the month, it is a double-edged sword. When one looks at, for instance, just what the third-quarter fiscal update said about seniors and seniors' expenses, certainly it had increased almost \$50 million from the budget. That included \$22 million for seniors' benefits to assist low-income seniors with increased long-term care fees, \$12 million for the special-needs assistance program, \$8 million for operation and maintenance costs of housing facilities, \$5 million for affordable housing, and \$1 million for homeless shelters. Well, that should certainly be an indicator, a signal that many seniors are having a great deal of difficulty whenever you see that expense increase.

To see here in Bill 14 that there is close to an \$11 million allotment, \$10.9 million in total for seniors' programs—I would urge the hon. minister and the government to have a look, have another close look in the next couple of weeks before the budget is printed at what is going to be coming next year for retired persons in this province. You look at energy costs; you look at insurance costs. There's no doubt they are high. We're not going to go into this in a great deal of detail, but the programs have to reflect those costs because those costs have certainly changed.

Now, Mr. Chairman, this is the second supplementary supply request by the government in the current fiscal year. Last November 16 government ministries and one office of the Legislative Assembly, the office of the Information and Privacy Commissioner – and I think that request certainly was centred around the fact that the office of the Information and Privacy Commissioner had to be expanded to look after the new private privacy legislation. But this request for a total of \$1.2 billion in supplementary supply for operating expense and equipment/inventory purchases and capital investment was made. It is a large sum of money to request especially since the government's new fiscal framework had just been announced seven months earlier.

We'll certainly have a budget in a couple of weeks, at least I hope we do, and the government will most likely be introducing an interim supply bill in the near future. I as one member of the Official Opposition am aware that there are always situations which arise, but the continued reliance on supplementary supply points to some real problems with the government's budgeting processes and their review/forecasting ability. Relying on supplementary supply to make up for budget shortcomings demonstrates a clear lack of effective management and long-term planning.

3:50

I thought that a lot of this would have been solved with the stability fund. The hon. Member for Lethbridge-East had been talking for, well, it seemed to be years about a stability fund, and I guess that in this case imitation is the finest form of flattery because the government finally listened to the hon. member and came forward with the stability plan. Now, many people, including this member, are surprised at how large it has grown, but it certainly makes fiscal stability stronger whenever we can smooth out the peaks and valleys in budgeting. But it can't be used as a re-election fund, and that's what my big fear is.

There is a lot of money. We have a lot of resource revenue. Maybe we should have more. Maybe our royalty collection system needs to be looked at because time is running out as the western

Canadian sedimentary basin declines in production of both conventional crude oil and natural gas production.

I'm certainly not advocating that we spend all this surplus at once to get re-elected. I think some of it should be squirrelled away, squirrelled away not for the next election or the one after that but for the next generation. I would like to see something stronger put in place to prevent governments in the near term from getting at this money.

Perhaps we should have a benchmark there, Mr. Chairman. Let's say production of natural gas fell by 50 per cent from its current level by the year 2018. If the production levels fell and there was a reduction in government revenue, then and only then could we access this money that has been squirrelled away. We have to start saving money for the future, whether it is through the Alberta heritage savings trust fund or some other mechanism. These times, unfortunately, are not always going to be with us. We certainly have spending requirements with public health care, public education, and I think we can meet those. I think we could meet those. If we look after the pennies, the dollars will look after themselves.

If we had to reduce the size of cabinet, I think that would be a good place to start, and if I was doing that, I think I would have the hon. Member for Medicine Hat in the cabinet, not outside. I think the hon. member should be there, Mr. Chairman. I don't care who's in it; it just should be smaller. That's one place to start.

We have this new fiscal framework in place. Bill 2, the Financial Statutes Amendment Act, came about in the spring of 2003, yet we have this amount of money to discuss this afternoon, Mr. Chairman. When you consider that this is a government that portrays itself as prudent and conscious of every dollar, I don't know what is wrong when we need so much money at once in supplementary supply for the second time. I can certainly see where there are emergencies. We've discussed those. But I don't know what signal this sends the Alberta taxpayers.

As you go through this, Mr. Chairman, you see Infrastructure, Innovation and Science, Learning, Health and Wellness, the Human Resources and Employment department, Revenue. Revenue is, interestingly enough, requesting \$875,000 for the acquisition of an investment risk management system, and I for one would like to know if the minister could provide more detail on the investment risk management system. I certainly hope this is not what I think it is.

Now, Sustainable Resource Development. A total of \$14.8 million is requested to provide for increased firefighting costs as a result of the severe drought conditions. This emergency assistance will be funded, as I understand it, from the sustainability fund. I like the word "stability" fund better.

This ministry requested a total of \$113 million for firefighting in the first supplementary estimates last fall. Where were the forest fires during the last four months? Has the minister already spent all of the \$113 million that the department requested in supplementary supply for firefighting just four months ago? I would have to question this ministry's budgeting skills because certainly there have not been many fires lately, at least not in the forest. There may have been some in this Assembly, but the forest has been spared.

Human Resources and Employment. Before I conclude, Mr. Chairman, I would like to note that the total amount requested here is \$28.6 million, which can be broken down as follows: \$14.6 million for supports for independence to address caseload and cost-per-case increases and \$14 million for skills investments. How many Albertans are applying for supports for independence at this time? By how much has this number increased over the past year and the past five years? Hopefully, in the budget that is coming forward, there will be an increase in the supports for independence payments and also for those Albertans on AISH.

Now, is the ministry at this time planning on increasing SFI rates? Certainly, we know that inflation is squeezing the poor in this province, whether it is energy costs, whether it's rent costs, food costs. Many people are very, very concerned about the cost of living. There seems to be a reduction in constant dollars if one were to look at SFI benefits in Alberta. If you look at the period of time between 1992 and 2002, the purchasing power of the benefits that SFI clients have has fallen by almost 30 per cent in the last decade. Again, I think we can manage to finance these programs and set some money aside at the same time. It's going to take diligent and prudent management.

In conclusion, Mr. Chairman, I think we can't forget the needs of those who cannot for whatever reason look after themselves with full-time employment, and I would urge the minister in a province as wealthy as Alberta, with the lowest minimum wage in the country, to stand up and, please, on behalf of those that have been budgeting on very little, look at their needs in the budget. This amount, hopefully, is a sign that the ministry finally acknowledges that those rates are not adequate, and hopefully we will see a permanent increase in those rates in this next budget.

Thank you, Mr. Chairman.

4:00

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

Dr. Pannu: Thank you, Mr. Chairman. I rise to speak to Bill 14 while it is in debate in committee. I was present last week when this House spent two hours looking at the supplementary supply request that was put before it. This was done on Wednesday evening, February 25, and I had a whole lot of questions that I raised and observations that I made at that time. Various departments, from Seniors to Learning to Human Resources to Health and others, were ones that I focused my comments on and raised questions with regard to the supplementary supply requests made by those departments.

In general, first I want to say that this is the second supplementary supply request that has come before this House during the current budget year. We had dealt with the first supplementary supply request in December of 2003 and at that time in the House approved, of course, extra spending, including \$780 million in BSE assistance that was put through supplementary estimate number one. In the current supplementary supply estimates, number two that is, \$35 million is being added on top of the money allocated for natural gas rebates last fall, totalling \$216 million. In total, about \$1.1 billion in excess spending was added to the budget in the fall sitting. Another a little over \$120 million is being added in supplementary spending that this bill deals with so to a total of close to \$1.3 billion in extra spending over the period of the current fiscal year.

Some of the requests deal with clearly unexpected events: the BSE, the forest fires and the disaster relief required as a result, the report of the Learning Commission and the government's response following the release of the report to reduce some pressure at the classroom level through the hiring of some teachers, 1,000 of whom had been let go just in September last year. So some of these elements in this request are quite justified because not everything could have been predicted, particularly dealing with natural disasters or the mad cow disaster that the province has been facing and trying to cope with.

Some others could have been avoided. For example, some of the increases in the seniors' costs were due to the shift in government policy requiring seniors to pay anywhere from 38 per cent to 50 per cent more for long-term care costs. That certainly is something that could well have been avoided and therefore need not have been

included in the past year if only the government had cared to wait until the next fiscal year to bring in this policy. I'm opposed to that policy, but even if the government had chosen to bring it forward, it could have waited until next year.

So the route of the supplementary supply request to deal with unpredictables is an appropriate route, but to deal with other predictable expenditures that the government decides to undertake is such that the supplementary supply route is not a desirable route to take. It's much more prudent for the government to think through its policies ahead of the budget and build into the budget whatever resources those shifts in policy are likely to require. While I'm dealing with this general sort of pattern of the way in which government creates the need to seek supplementary supply resources and estimates from the House, it leaves something to be desired.

The unpredictable costs? Yes, we should be as a House always willing to deal with those through the supplementary supply route. But ones that are predictable, the result of deliberate changes in government policy, should not be funded through supplementary supply. I think the government should have the discipline and the foresight to plan properly and wait until the new budget is approved by this House. So that much for the general sort of comments.

One concern, Mr. Chairman, that I expressed during my participation in the debate in the House last Wednesday evening, February 25, had to do with the review of SFI and AISH rates that the Minister of Human Resources and Employment indicated he was going to undertake during this coming year. I had urged him at that time to start the review early rather than late in the year. He had indicated that he didn't think that it was possible for him to proceed with it until September or October this year.

I hear from my own constituents, many of whom are dependent on these government social programs, that they are desperate to see some increase take place in the rates because they are finding it impossible to pay their bills given the present amount, which has been frozen over the last five years now. On a daily basis I get requests from them for me to urge the government to expedite the review and to make changes in the rates so the payments go up as a result of this review, and the sooner this is done the better. Clearly, the Minister of Human Resources and Employment is not in a position to build it into the budget that will be presented here to this House in a couple of weeks, on March 22, I think, but I would like to urge him to advance the dates of the review that he is willing to undertake so that he can increase those rates as soon as possible and then use the supplementary supply route in this case to request the additional funds that will be needed in order to respond to the revised rates for AISH and SFI programs.

4:10

Mr. Chairman, the other question that I had on the evening of last Wednesday that I would like to return to had to do with seniors' programs. The Minister of Justice on that day presented, first of all, the supplementary supply estimates for that department and did his very best to respond to the questions and the inquiries that members of the House made to him, including myself. I would like to draw the attention of the Minister of Seniors to the *Hansard* issue 7 that includes the debate on the supplementary supply for Wednesday evening, February 25, in which I asked some questions for which the Minister of Justice was not in a position to give detailed answers, and he hoped that the Minister of Seniors would look at those questions that I raised and provide the answers.

For the benefit of the Minister of Seniors I want to draw his attention to the questions that I asked starting on the bottom of page 183, the left-hand column, and going on to about one-third or one-quarter of the right-hand column on that very page. There are

several questions there if the minister would be so kind to address them for me.

Part of the question that I had asked, that I've just referred to, was in the form of a bit of a comment related to the concern that seniors and seniors' advocates have been expressing consistently over the last several months now following the death through a serious accident of Mrs. Nelson in this city with respect to the declining quality of the care that seniors receive in the long-term care facilities. That's happening at the same time as seniors are having to pay 37 or 38 per cent to 50 per cent more for the care that they receive.

So the question then is: when these increases were being introduced, they were justified in part, both by the government and certainly by the long-term caregivers association, a private, for-profit group, on the grounds that extra money is needed to increase the quality of care. What we have seen since the introduction of these increases is quite the opposite of what was argued in support of bringing in those extremely high increases all at once. So that was a comment on my part, and I think that the Minister of Justice and Attorney General appropriately called my observations comments to which only the Minister of Seniors can respond.

So I will conclude by asking if the Minister of Seniors would like to respond to my concern. I reiterated in a sense the concerns of seniors' advocates concerning the declining quality of health and, therefore, concerns about the safety of residents in long-term care facilities. And, secondly, to the minister of human resources: I hope he had some time to reflect on whether or not he can advance the date at which the review of AISH and SFI rates will start, if he can tell the House whether he, indeed, is in a position to start the review much sooner than he anticipated in his response to my question on last Wednesday, February 25.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Minister of Seniors.

Mr. Woloshyn: Yes. Thank you, Mr. Chairman. I take exception to the hon. member's comments. There are some inaccuracies. For example, the Long Term Care Association includes most of the long-term care providers: for-profits, not-for-profits, and public providers. Public providers, I stress again. They're all in the association. So it's quite erroneous to say that it appears that it's just for the for-profits.

I think it's extremely inappropriate to judge a system on a sad incident that, indeed, should not have occurred, but to take that incident and say that that is a measure of what happened when the rates went up I think is very, very misleading and again erroneous. The rates did not go up 50 per cent. They went up significantly, yes, but they're still the second lowest in Canada, the second lowest in Canada at that rate.

Also, I would like to point out that in addition to what the tenants pay, there's an average of another \$95 a day that the province through the health authorities puts forward to look after the health needs of these people. In my reply to the questions from the Member for Edmonton-Centre I indicated one facility – and granted, it's only one facility – where, in fact, they have indicated that these increased revenues are going to flow back for an improvement to the care that they are giving.

The long-term care provided for the vast majority of the residents in those facilities is excellent. Will you have complaints periodically? Yes. Will they be valid in some cases? Yes. But to say that the whole system is deteriorating on the heels of the increased rates is not accurate by a long shot.

Should we be monitoring the system? Yes. Are we going through and doing our due diligence to ensure that the system will be at the

highest possible level? Yes. That's why the Auditor General is involved. That's why the two ministries responsible for housing, Health and Seniors, will be looking at this to ensure that we have the best possible care, the most appropriate care for the people not only in long-term care but in the lodges, in any facilities that we have and are involved with as a government.

So I'd ask the hon. member, before he jumps to conclusions, before he jumps on the bandwagon of people who have been looking for problems continuously and then indicating on one incident, one tragic incident, that the system is somehow all wrong, to reconsider the comments that he's making. If he has legitimate questions to ask, I certainly would be more than pleased to answer them.

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that we adjourn debate on this matter at this time.

[Motion to adjourn debate carried]

Bill 8

Blue Cross Statutes Amendment Act, 2004

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

Ms Blakeman: Thanks very much, Mr. Chairman. I'm glad to get the opportunity in Committee of the Whole to comment on Bill 8, the Blue Cross Statutes Amendment Act, 2004. I believe that this act is in fact flowing from the Alberta Blue Cross Review Committee, chaired by the Member for Calgary-Lougheed, that was established in August of 2002 to review the competitive advantages that it has, some governance and accountability. It's now reported back almost a year ago, in April of '03.

4:20

It seems that the Alberta Blue Cross Review Committee recommends that the Blue Cross exemption from paying premium tax be removed. There were no changes to the corporate structure of the income tax regime, but this is certainly going to cost that organization money, which will of course be passed on to Albertans, and I'm sure that they will certainly see this as an increased cost in health care.

So we've got a level of the playing field. This is always interesting to me when we get a nonprofit sector that's offering a service and then there seems to be agitation from the profit sector that this isn't fair, that somehow there's an unfair advantage that's given to the not-for-profit agency and, goll darn it, they should not be allowed to do this, and they've got the famous level playing field. I'd like to see this level playing field some day. I'd really like to see it because I've never actually seen all these changes result in a level playing field. Most importantly, they do not result in a level playing field for Albertans. It results in a fairly steep incline out of their pocketbook.

And what is so wrong? We had a nonprofit agency that was providing insurance for additional services closely connected to the health care sector. There was a reasonable premium. People could choose not to purchase it if they didn't wish to, although most seniors are involved in it because it's offered as a program through the government. What is so wrong with that service?

Health care – oh, maybe that's where it all falls apart. Here's where the Liberal opposition and the government members really part ways: whether health care is a commodity, something that can be bought and sold and subjected to supply and demand and market-

driven forces, which seems to be where the government comes from, versus where the opposition comes from, that this is a necessary service. Access becomes a very important key component of it, and it needs to be as accessible as possible to all people.

The idea that we need to sell more health care or increase the demand for health care that somehow results in an additional payment – I mean, I don't think that health care is like selling hamburgers or running shoes. It's just not. We don't really want to create a demand for it. We don't really want people saying: "Gee, my neighbour had a hip operation. I want one too, and could I get it in blue, please?" It's not a situation that we want to see ourselves in. We want to reduce the demand on the system.

The other example I can think of with this was that we had seniors' residences, some of which offered a cafeteria-style breakfast and lunch, I think, not dinner. There was an argument from the nearby business community that this was an unfair business advantage, that these seniors' centres were offering food for a charge. It was a minimal charge, but it was a charge. The nearby restaurants wanted this unfair advantage removed. Either they had to charge so-called market rates or they had to stop doing it because the business community was at a disadvantage; it was not a level playing field.

Well, when you really looked at it, what was going on here? I mean, most of these were cafeterias that were housed inside high-rise apartment buildings that were filled with self-contained units for seniors. Part of what they were trying to do with the cafeteria was to get people out and get them socializing. This was part of a preventative health approach. If they could get people coming down into the cafeteria and socializing with other people, there would be friendship and support and better mental health, and this, in turn, would pay off in terms of overall better health and less cost to the system. In fact, the argument was finally won.

This was all taking place in the context of tax-exempt status, and this was another part of the unfair advantage that these little cafeterias had. So the fact that they were providing a service that was beyond that of simply food production or offering of food to be purchased was a determining factor.

I fail to see how the argument is different here. We have a nonprofit that was offering a reasonable service. It benefited Albertans. It was offered at a reasonable cost to them. I fail to see who was being incredibly disadvantaged here, except if you buy into the argument that health care should be available to those with the most money to pay and should in fact be moving towards a privatized system. Then this makes sense to me.

I don't see what was so wrong with the system that we had, that had been in place for some time, except that you've got certain industry interests that want a piece of the pie. They want some of the action. But I don't see that once you bring in those for-profit operators this is going to offer a better service at a better price to Albertans.

So once again we're bringing in a private sector here, and in some cases a private sector that is going to benefit from taxpayer dollars in that the government already offers Blue Cross to seniors at no cost. So these private operators are going to get taxpayer dollars. This isn't simply a matter of additional services that people either pay for and get or don't pay for and cannot access. It seems to me that the private sector is always interested in health care when they're going to get access to taxpayer dollars, and that's certainly what seems to be happening here. So I don't see this as an advantage at all for Albertans.

We have these amendments that are levelling the playing field between Alberta Blue Cross and the private health insurance companies, and part of the levelling of this I think is that it's now going to require Blue Cross to begin paying this 2 per cent premium

tax like the private health insurance companies do on their private insurance programs. Now, I'm not sure why we have an additional tax in here, because one presumes these private industries are already paying business taxes as levied upon them. So what's the additional levy for, and why is it connected around the health program? If I could get an explanation of that, that would be helpful.

The bill is also introducing the payment in lieu of tax, the pilot program for net income from Blue Cross's operations excluding the government-sponsored benefits programs, and those were the ones for seniors that I was talking about.

I did try to review *Hansard* to see if the sponsoring member had responded to some of the points that my colleague from Edmonton-Riverview had raised. Unfortunately, the section that I downloaded just contains his comments. So if the member did respond, I'm not aware of it, and I apologize if I repeat here. In that case, feel free to refer me to *Hansard* and the page number, and I will quite happily read it on my own time and not take up the time of the member or of the Assembly.

4:30

My hesitation is manifesting itself in opposition to this bill. I don't feel that the changes that are proposed here ultimately are in the best interests of Albertans. I think what it does is put the interests of private health insurance companies ahead of ordinary Albertans, and frankly I never feel that large corporations, particularly insurance companies, really need my help as a legislator to do well. They seem to do just dandy on their own. But I do find that ordinary Albertans often do need my help in the form of legislation that makes it easier for them or more accessible to them or ensures that there is equal access to services. We have so-called ordinary Albertans – I'm not going to use that term any more; I don't think any Albertan is ordinary. They're left to pay for increased insurance premiums and, I think, decreased support from health initiatives.

Now, I know that my colleague from Edmonton-Riverview has a couple of times referred to questioning the rationale of the sponsoring member for reversing what seemed to be the position of the committee that she was chairing, that the committee came out with one series of recommendations and then those recommendations got flipped around. As I heard the Member for Calgary-Mountain View say earlier: you must be reading the graph upside down; turn it the other way around, and you'll see. It sounds like there was one series of recommendations which were then turned upside down, and the reverse was in fact recommended.

If I could just get an explanation of why that happened. You know, was there information that the committee didn't see or didn't understand that would have caused the reversal in what the recommendation was coming out of the committee? I guess the argument is that if that's the basis for what this bill is proposing, then perhaps it's coming forward under flawed circumstances or with a flawed reasoning behind it, and it's not sufficient to uphold the bill.

We have the two so-called levellings, which are the 2 per cent insurance premium that would now be required of Blue Cross and then the removal of Alberta Blue Cross's tax-exempt status on its non government-funded business and making it subject to the same so-called pilot program, which does require Blue Cross to remit an amount equal to the combined federal and provincial taxes that would be applicable on income from its nonprofit business. We can certainly, without trying too hard, see how that's going to affect Alberta Blue Cross, and of course they're going to end up passing that on to Albertans.

This is not a victimless decision here. This is going to affect Albertans in their pocketbook instantly, and there's no question that's who ends up paying the difference here. What we've really

done is give a huge advantage to the private health care companies by giving them access to government-funded programs like the seniors' Blue Cross at the same time as downloading increased costs upon Albertans. Given that rationale I find it very difficult to – well, no, I don't find it difficult at all. I will not support this bill under those circumstances.

There's not much more that I can say about the bill except for the regulations. Once again what we're seeing is a shifting, a creation, a furthering of these sorts of empty shell bills where there's really not much meat in the actual bill but where everything else is referred to the minister or to Executive Council to make changes a little further on. Those changes don't ever have to come back before the Legislative Assembly, so we don't hear what the comment is or what the rationale is from the members of the Assembly. It's impossible for their constituents to follow through and find out why their member was supportive of passing a certain bill. It's all done behind closed doors, and no minutes are kept. There's no *Hansard* recording of it. People have no way of understanding what the rationale was or what the arguments and thinking were behind the changes.

I protest this every time I see it, which, frankly, is every bill the government brings forward. So if the members opposite are getting a little tired of hearing this speech, I'm a little tired of giving it. If the government would kindly stop doing it, I could stop giving the speech. Then we'd all be a little happier.

So those are the points I want to make on this bill. I could see the member making notes as I spoke, and she's always very good about giving detailed explanations. We're in Committee of the Whole, so she can stand up and give me some answers right now, and that would be excellent.

Thank you very much.

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

Dr. Pannu: Thank you very much, Mr. Chairman. I rise to speak to Bill 8 in the Committee of the Whole debate. The Blue Cross Statutes Amendment Act, Bill 8, is a very interesting bill. It's brought forward by a minister and by a government that's at the same time committed to reducing health care costs and to making health care in this province, and perhaps beyond, affordable and sustainable.

This bill, Mr. Chairman, is also a bill that runs against the recommendations of the government's own committee on Alberta Blue Cross, a committee that was chaired by one of the prominent Tory backbenchers, the hon. Member for Calgary-Lougheed. That committee recommended against what this bill is trying to accomplish; that is, to remove the exemptions with respect to taxation for ABC, Alberta Blue Cross, which is a creature of this Assembly's own statutes, to operate in this province as a nonprofit provider of health care coverage, particularly for supplementary health services.

[Mr. Johnson in the chair]

Mr. Chairman, Albertans are curious why a government that on the one hand is trying to scare everyone into believing that our health care expenditures are unaffordable and that therefore the health care system in its present form is unsustainable and needs radical surgery, which, I guess, Dr. No is likely to spearhead in providing, then brings in legislation that will in fact add to the costs of health care coverage in this province. I think the government's own committee very clearly states that that will be the case, and in spite of the committee's recommendations against proceeding with this, the government has decided to go ahead with it nevertheless.

So Albertans are watching. They're curious and they're not pleased with the fact that this is what's happening here. The government's argument is a very specious argument, Mr. Chairman, in defence of removing some of the exemptions from taxation that this bill is trying to do with respect to Alberta Blue Cross as a nonprofit agency, which has served public interest and public good most effectively, in my view. Its argument is that it must operate under exactly the same conditions as the private insurance companies do. A strange argument to call it a level playing field. Why is it incumbent on this government to put first and foremost the interests of private insurance companies, who are doing well, thank you, without the help of this government and doing exceedingly well, and do so by sacrificing the interests of Alberta citizens?

4:40

That's what's so amazing, that the level playing field argument is used to justify the unjustifiable; that is, to increase the burden of seeking health care coverage to Albertans, many of whom are retired seniors, employers who provide supplementary health care through Alberta Blue Cross. The government is absolutely determined to nullify this part of the Alberta advantage that has been enjoyed by close to a million Albertans in this province.

The primary responsibility of government, Mr. Chairman, is always the protection and enhancement of public good and public interest, but this government simply does not seem to recognize this primary obligation of a government democratically elected by its own citizens. It seeks, rather, to enhance the advantage of private insurance companies, who have the right to operate, but they operate in the interests of their own shareholders, not in the interests of all citizens in this province or elsewhere.

An additional impact of this bill, Mr. Chairman, is on people outside of Alberta, particularly tourists who come here from outside of Canada. Many of them see Alberta Blue Cross as an insurer of choice because it provides out-of-country visitors to Alberta supplementary health care coverage or travellers' coverage of health care services at rates which are exceedingly good, enhancing the attractiveness of Alberta with respect to tourists. So the tourism industry itself benefits from the lower and most reasonable premiums that are offered by Alberta Blue Cross under present conditions.

This bill is set to change those conditions, thereby making premiums for the coverage presently provided by ABC, Alberta Blue Cross, more expensive not only for Albertans but also for out-of-country, foreign tourists and visitors to Alberta who find spending time in Alberta resorts, Alberta cities, Alberta's countryside as part of their vacation attractive because Alberta Blue Cross makes available to them coverage for medical purposes at rates which are most attractive.

The burden of meeting some of these extra costs that will result from the so-called level playing field argument which is embodied in this bill will have to be shared not only by individual subscribers to Alberta Blue Cross, who are more than a million in this province, but also by taxpayers in general. Any increased costs that will result from it will in part have to be paid for from our taxes.

So it makes no sense, Mr. Chairman, to proceed with this bill for the reasons that I have given. The question is: why is the government doing it? I think the chair of the Alberta Blue Cross government committee, the hon. Member for Calgary-Lougheed, in a TV interview two weeks ago admitted that the reason that the government is proceeding with it is because it was lobbied to make changes in Alberta Blue Cross by the private insurance industry. That is the only lobbyist, the only agency, the only entity that has sought changes in Alberta Blue Cross, changes that will make Blue Cross coverage more expensive for everyone who uses it.

So let there be no doubt that this bill reflects not the concerns, the demands, the expectations of ordinary Alberta families, regular Alberta families who benefit from the operations of ABC. It does not represent the concerns, interests of Albertans in general. It simply represents the interests of the insurance company with a powerful lobby, which apparently has the ear of this government. This government has found it appropriate to ignore the damage, the additional costs that these changes will impose on over a million subscribers who are Albertans, who pay taxes to this government, and it decided to proceed with this legislation, that will hurt the interests of these Albertans, so that a small group of lobbyists can be appeased.

This bill, Mr. Chairman, is a clear example of how this government sets its priorities. When it has to choose between the interests of its citizens as taxpayers, hard-working Albertans who work day and night to pay their bills and use the health care services, on the one hand, and the private insurance companies which are seeking to enter the field that is presently occupied by Alberta Blue Cross as service provider, it chooses the private, for-profit insurance companies' interests and proceeds with a piece of legislation that will do absolutely nothing – absolutely nothing – to reduce the cost of coverage of the services that ABC provides for over a million Albertans, who to this point have been beneficiaries of the operations of Alberta Blue Cross, which, as I said, is nothing other than the creation of a statute which was passed by this Legislature itself.

So in my view this bill, in essence, in addition to increasing the costs to subscribers who are Albertans, in addition to favouring the private interests of the stockholders of those insurance companies that want to sell supplementary health insurance in this province, is also a statement about how it deals with its own history. Institutions that Albertans have built over the years to serve them, serve them at low cost, serve them effectively, are the very institutions that are being undone one by one by the actions of this government.

Bill 8, Mr. Chairman, therefore does not merit the support of this House. It is a bill that needs to be defeated, and I will certainly be voting against this bill. Thank you.

4:50

The Acting Chair: Any further speakers to Bill 8? The Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Chairman. I'm just going to take this opportunity to respond to the comments raised in Committee of the Whole by the members for Edmonton-Strathcona and Edmonton-Centre. Regrettably, I think there is a great deal of misunderstanding on the part of those two members as to what these amendments are designed to do. Particularly, the Member for Edmonton-Strathcona does not perceive the purpose and intent of these amendments.

The discussion this afternoon has centred around two of the major amendments, which would require Alberta Blue Cross to commence paying the 2 per cent premium tax on its accident and health insurance premiums that it brings in during the year, as is required of private insurance companies that offer private insurance, as well as the requirement for Alberta Blue Cross to commence paying a payment in lieu of income tax, both provincial and federal, on its private insurance programs only.

I can't emphasize enough that there will only be 15 per cent of Alberta Blue Cross's customers affected by these amendments. Alberta Blue Cross has well over a million clients in the province of Alberta, most of which are served by its government-sponsored and government-paid-for or subsidized programs. So if my math is correct, there will be in the vicinity of approximately 150,000 Albertans who are receiving private insurance that are affected by these two main amendments.

At the outset, and I believe I made these remarks in second

reading as well, it is our philosophy that when an entity which is a government entity – and Alberta Blue Cross is not owned by government; it is a creature of legislation. It isn't owned by government. It's not owned by shareholders. It is a nonprofit. It is certainly controlled by government, because government has the right to wind it up should that ever become necessary. It certainly has a connection to government, so it is our philosophy that whenever such an entity competes with private enterprise in the provision of goods or services, then it is proper that that government entity not have a competitive advantage which is built in and provided by government.

In this case, the status quo right now is that Alberta Blue Cross does not pay income tax, and it does not pay premium tax on its private insurance business where it competes with private industry. This is the competitive advantage that we are addressing and for which we are levelling the playing field to provide a fair market situation.

Just perhaps for greater clarification I'm going to go over what business is not affected by these amendments. Now, under the Alberta health care insurance plan we have three categories of coverage. We've got the basic health services, we've got extended health benefits, and then we have Alberta Blue Cross nongroup coverage, which is the 85 per cent of its business that is not affected by these amendments. I'm just going to give a description of what that is.

This Alberta Blue Cross nongroup coverage is available to all Albertans, and it is supplemental health insurance plans for drugs and other selected health services. These supplemental plans are funded by Alberta Health and Wellness and administered by Alberta Blue Cross for a fee paid for by government. Premium-free coverage is offered to seniors and their dependants, to recipients of the Alberta widow's pension and their dependants, and to people who have been diagnosed as being palliative and receive their treatments at home.

There is also a universal plan available to all Albertans under the age of 65 and for their dependants, subject to the payment of a quarterly premium. None of those programs will be affected, nor will any of the programs provided by a second government department, that being Alberta Human Resources and Employment drug benefit programs, which include these categories: supports for independence, AISH, and the Alberta child's health benefit. So none of those programs, representing 85 per cent of the business of Alberta Blue Cross, will be affected.

What will be affected are the prepaid supplementary health care plans to employer groups and also individual health plans for Albertans under the age of 65 who are self-employed and are without an employer-sponsored health benefit plan as well as individual health plans for Albertans 65 years of age and over which would complement or augment their government-sponsored seniors' coverage that they already receive. The third category is travel insurance, which Blue Cross has been providing.

The argument that there will be, potentially, an increase in cost that will be transferred to the subscribers of those types of insurance only stands to reason. However, Alberta Blue Cross has given its undertaking to pursue strategies, to find administrative efficiencies, and to be more appropriate in the reserve fund that they maintain so that they will limit the impact on their customers, their clients, their private insurance clients, and they're hoping to keep that increase to 1 per cent or less. By example, a calculation has been done for a family paying \$140 per month for this comprehensive, extra private insurance, which could include for dental and glasses. Even if the premium increase was as high as 2 per cent, that would translate to \$3 per month in increased premiums, so certainly nothing that is unmanageable.

I hope that that explanation has made it a little clearer, particularly for the Member for Edmonton-Strathcona, who has been stating in questions in question period and again this afternoon that this is going to impact over a million Albertans, for it is not going to do that.

5:00

One of the aims of the amendments is such that we will segregate the government business from the private business that Blue Cross engages in, and it will be very clear from an accounting point of view that one is not cross-subsidizing the other, which was one of the complaints that gave rise to this review.

Now, the Member for Edmonton-Strathcona has stated here this afternoon that I admitted in a certain TV interview that I personally was lobbied by an insurance company and that's why I changed my mind on one of the recommendations in this report. Well, I didn't see that TV interview, and I'll eat my hat if I said that. I have to assume that perhaps some of the comments that I was making were summarized in a way that led to that conclusion.

Now, I think members and the members opposite all have a copy of the report of the review committee, so I would refer them to pages 19 and 20 of the report for a full discussion on the issue of whether Alberta Blue Cross should be exempted from income tax. Three options were discussed. One was to maintain the status quo, which would leave Alberta Blue Cross tax-exempt. One other option was to introduce the payment-in-lieu-of-tax program on all of the net income from all activities of Blue Cross. The third was to introduce this program just in respect to the business that falls into the private insurer's category, and that was the one that was chosen by the majority of government members.

The reason that the members on my committee felt that there was perhaps a good reason for leaving the status quo in place was that as part of its legislated mandate Alberta Blue Cross is required to participate in programs which benefit the health of Albertans, and in fact Blue Cross does this by participating in the Alberta Tobacco Reduction Alliance and also the Alberta Centre for Injury Control & Research and a few other programs, which does involve an expense. The thinking was that private insurance companies don't have to do that and don't have that particular expense. But in the final analysis it was the conclusion of government that those requirements were not sufficient to maintain the status quo and that it was preferred that the playing field be levelled for both income tax and the premium tax.

So I hope those comments go some distance in providing clarification for the purpose of these amendments. Those are my comments, Mr. Chairman.

The Acting Chair: Is there any further speaking to Bill 8? The Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I'm pleased to rise and return to my concerns about Bill 8, the Blue Cross Statutes Amendment Act, 2004. I have, I think, put before the House my reasons for why I am concerned about the bill. I just want to put on record a statement here which was posted at 5:24 p.m., Thursday, February 9, by CFCN.ca. The title of the statement is: MLA goes against own committee on Blue Cross. I want to read it verbatim because the Member for Calgary-Lougheed raised some questions about remarks that I made earlier. This is what follows, word by word, Mr. Chairman.

A Calgary MLA is admitting that she ignored her own committee's recommendations on Alberta Blue Cross. A committee studied whether or not the non-profit health insurance company should be allowed to keep its tax exemption. The majority of committee members recommended that the company should keep its tax-free

status. But Calgary Lougheed MLA . . . says she went against that advice when it came time to write the report's final summary. "I personally felt that it was more consistent that they be required to pay income tax," said [the Calgary-Lougheed MLA]. "But that wasn't the consensus view." [The Calgary-Lougheed MLA] also admits the reason she looked into the issue of revoking Alberta Blue Cross' tax exemption was because private health insurance providers asked her to. The final committee report, chaired by [the MLA], predicts consequences for Albertans if the company loses its [exemption]. It says Alberta Blue Cross users would face fee increases and the company won't be able to provide the same level of service. It also points out that the company offers services to small businesses and rural Albertans that private insurers don't. But in spite of the recommendations, the province still intends to remove the exemption.

That's the end of the statement, Mr. Chairman. I just wanted to put it on record to share with the House and the hon. Member for Calgary-Lougheed the basis of my comments there.

I have three different amendments. I'll start with the first amendment. I move that Bill 8, Blue Cross Statutes Amendment Act, 2004, be amended in section 1(9) by striking out clause (a). I would like the amendment to be distributed, Mr. Chairman, and I'll wait before I proceed with my remarks.

The Acting Chair: Okay. Amendment A1.

Dr. Pannu: You'll call it A1?

The Acting Chair: Right. We'll just wait a minute until the amendments have been distributed.

Proceed.

5:10

Dr. Pannu: Thank you, Mr. Chairman. The intent of the amendment, amendment A1, is to strike out that clause (a) of section 1(9). The rationale for that is quite clear. Section 1(9)(a) is proposed to be struck from the act because it allows the cabinet to place unnecessary restrictions around both the programs and services that can be offered, governing the nature and extent of those programs.

Surely, the board of directors of Alberta Blue Cross, an organization that has been providing services over the last 50 years under the direction of the board of directors, should be responsible for determining the nature and scope of Blue Cross's activities so long as those are consistent with the legislation under which it is established. The Blue Cross directors should be able to do so without the political interference of the provincial cabinet. The provision that I propose should be struck out could open the door for the cabinet behind closed doors to decide to limit Blue Cross activities, require them to divest of some programs which are deemed to be not to the liking of the private health insurance industry. So that in a nutshell is the rationale for amendment A1, Mr. Chairman.

I think that if the House votes for this amendment, it will certainly protect Alberta Blue Cross from political interference by the cabinet, which I think is an appropriate thing to seek to have in place. Alberta Blue Cross has worked without political control and political interference by the cabinets of this province for the last 50 years and done so faultlessly. There is no evidence, based on the past behaviour and performance of Alberta Blue Cross, which would justify the cabinet seeking these exceptional powers to be able to alter the mandate of Blue Cross.

If anything I think the cabinet needs to keep its hands out of the business of Alberta Blue Cross and allow Alberta Blue Cross to serve Albertans, as it has done with distinction over the last 50 years, without encumbering its ability to do so. I think the provisions of section 1(9) would encumber the Alberta Blue Cross and its board of directors' ability to continue to provide those valuable services at

low cost to Albertans who seek to make use of those services.

So I would like to urge all members of the House to support this amendment, vote for it so that we can continue to enjoy the benefits that Alberta Blue Cross over the last 50 years has been so ably able to deliver. Thank you, Mr. Chairman.

Ms Graham: Mr. Chairman, I'm going to be really brief here. The purpose of section 1(9) of the bill is to provide a definition for what actually is the Alberta Blue Cross plan because there never has been a definition for the 50 years that the member speaks of. So for just the reasons that the member was talking about, it's important that we define what the program is so that it will continue in the form that it is in.

The other reason for wanting to get a definition is to limit the ability of the corporation to get into areas of insurance which could bring with it a high risk to the corporation, thereby adversely affecting other programs it provides. This is all about protecting what we have now, because all of the programs that it provides will be included in the definition, but it will protect subscribers from here on in so that they won't be subject to unnecessary risks.

So this is a good thing, and I would urge all members to defeat the amendment.

[Motion on amendment A1 lost]

The Acting Chair: The Member for Edmonton-Strathcona.

Dr. Pannu: Shall I proceed?

The Acting Chair: Yes.

Dr. Pannu: Thank you. Mr. Chairman, the next amendment that I would like to move is that Bill 8, Blue Cross Statutes Amendment Act, 2004, be amended (a) in section 1 by striking out subsection (8) and (b) by striking out section 2.

The Acting Chair: The amendment that is being distributed will be called amendment A2.

Member for Edmonton-Strathcona, please proceed.

Dr. Pannu: Thank you, Mr. Chairman. I'm pleased to speak to amendment A2. The bill in its unamended form requires Alberta Blue Cross to pay Alberta Revenue an amount equal to what they would have paid in federal and provincial corporate income taxes if they were a for-profit corporation. A2 would strike from the act an amendment to the Alberta corporate income tax that makes Blue Cross subject to paying the 2 per cent insurance premiums on its non government-sponsored programs.

In requiring Blue Cross to make payments in lieu of taxes, the government has disregarded the advice of its own Blue Cross Review Committee, which was chaired by the hon. Member for Calgary-Lougheed, a committee that warned that this would drive up premium costs and possibly lead to its privatization or will be perceived to facilitate privatization.

It fails to recognize that Blue Cross has a public service mandate to be a not-for-profit provider of extended health and dental benefits. Taxing Blue Cross like a for-profit corporation will drive up costs for policy holders and transfer those benefits to companies like Great-West Life.

Again, it seems to me that there's no useful purpose to having Blue Cross pay the insurance premium tax. It is not the job of government to serve the interests of the private health industry. It is the government's job to keep extended health and dental benefits as

reasonably priced as possible. That's why I would ask hon. members in this House to support this amendment and vote for it.

Thank you.

[Motion on amendment A2 lost]

5:20

The Acting Chair: The Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chair. I would now like to take this opportunity to present my third and final amendment. I have copies of this amendment ready to be circulated.

The Acting Chair: This will be amendment A3. Please just wait a moment until they are all distributed.

Member for Edmonton-Strathcona, please proceed.

Dr. Pannu: Thank you, Mr. Chairman. With your permission I'd like to move that Bill 8, Blue Cross Statutes Amendment Act, 2004, be amended in section 1 by striking out subsection (7). Now, to speak briefly in favour of the amendment, I just want to draw to the attention of the House, Mr. Chairman, that until now the Insurance Act has not applied to Alberta Blue Cross in recognition of the fact that it's not an insurance company but rather a nonprofit provider of extended health and dental benefits established under provincial legislation.

This amendment strikes out a provision that's completely unnecessary and possibly interferes with the board of directors of Blue Cross to run their business as they see fit. The Blue Cross legislation currently states that the Insurance Act does not apply to Blue Cross operations. There's no need, therefore, to further restrict the scope of Blue Cross's activities to provide whatever insurance products they see fit on a nonprofit basis to Albertans. The only test that should be applied to whether Alberta Blue Cross should be restricted in the range of services to be provided is whether or not it does that job efficiently, effectively, and in a cost-effective manner. No evidence has been produced to show that that is not being accomplished under current legislation by Alberta Blue Cross in the services that it provides.

Again, I want to emphasize, Mr. Chairman, that Alberta Blue Cross works well. It is important to leave it to itself to continue to provide those most valued services at the lowest possible cost to Albertans. Therefore, I urge my colleagues in the House to support this amendment and vote for it.

Thank you.

[Motion on amendment A3 lost]

[The clauses of Bill 8 agreed to]

[Title and preamble agreed to]

The Acting Chair: Shall the bill be reported?

Hon. Members: Agreed.

The Acting Chair: Opposed? Carried.

Bill 9

Prevention of Youth Tobacco Use Amendment Act, 2004

The Acting Chair: Are there any comments, questions, or amendments? The Member for Edmonton-Centre.

Ms Blakeman: Thanks for the opportunity to speak to Bill 9, the Prevention of Youth Tobacco Use Amendment Act. What we're looking at here is that this is bringing in exceptions. The rules that we have on the books right now say that minors are totally banned from possessing tobacco, but that doesn't help for those convenience stores where you've got someone that's under 18 working at the front counter, especially in the mom-and-pop operations. So this is changing it to allow minors who are working in convenience stores to be able to handle those tobacco products as, sort of, point of sale.

It would also allow the stings that the government occasionally gets involved in where they send in under-age people to try and capture someone willing to sell cigarettes.

Mr. Hancock: They're not under age.

Ms Blakeman: I'm sorry. They're not under age? They just look like they're under age; is that the trick? Okay. All right. So the trick is they look like they're under age, but they're not. So really this is just affecting the store employees.

It's also giving us a wider definition of public place for the purposes of enforcement of the act.

My concern about this is that we keep coming back and sort of

adding on pieces to what we're doing rather than having a comprehensive tobacco control legislation. You know, I raised the other day during question period that we're still allowing smoking in the Edmonton Remand Centre, and I get fairly consistent commentary from the staff that are having to be exposed to that second-hand smoke. So I would prefer that we saw one large comprehensive piece of legislation rather than the piecemeal.

I don't think that what we've had so far has been terribly effective. There seems to be some desire from the government to follow through on this but not enough to be forceful enough to make it happen. So we just are completely lacking comprehensive tobacco control legislation.

Our Liberal opposition MLAs are on record as speaking out against the Prevention of Youth Tobacco Use Act not because we want youth to be smoking – no, that's not it at all – but because this focuses on the wrong part of the problem.

The Acting Chair: As per Standing Order 4(3) the committee stands adjourned until 8 p.m.

[The committee adjourned at 5:30 p.m.]

