

Legislative Assembly of Alberta

Title: **Wednesday, March 3, 2004** **8:00 p.m.**
 Date: 2004/03/03
 head: **Government Bills and Orders
 Committee of the Whole**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

Bill 9 Prevention of Youth Tobacco Use Amendment Act, 2004

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

[The clauses of Bill 9 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

For the benefit of our visitors up in the gallery the committee stage is a very informal stage where you'll see people moving around and taking off their jackets, but if you were to come during the other session when the Assembly is meeting, it would be much more formal. Your MLA will be introducing you shortly. He's just trying to get some information about the group.

Hon. members, before we proceed with the next item on the agenda, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Chair: The hon. Minister of Innovation and Science.

Mr. Doerksen: Thank you, Mr. Chairman. I want to introduce to the members of the Assembly the Boys and Girls Club of Red Deer. I believe it's called the Keystone Club, if I've got that right. You're going to have to help me with the names because I can't read this very well. I believe the adults that are accompanying the club are Gerald Laurin, Trish Gislason, and Veronica Stasiuk. These are fine visitors from the lovely city of Red Deer, the host of the 2004 Scott Tournament of Hearts and many other events in the past. We're delighted that you can spend some time visiting us tonight, and we hope you enjoy your visit. Would you please rise and receive the traditional warm welcome of the Assembly.

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 Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I'm pleased to have an opportunity at Committee of the Whole to make some further

comments about Bill 14. The bill asks for \$120,672,000 in supplementary funding. It's broken down across a number of departments, and it raises a number of questions with respect, for instance, to the new fiscal framework.

Bill 2, the Financial Statutes Amendment Act in the spring of 2003, put in law several new fiscal rules that were supposed to protect Albertans from riding the energy roller coaster, and that new framework was supposed to put an end to stop-and-start program funding. It was also at the time touted as a bill that would reduce the government's reliance on supplementary supply, yet in less than a year we're back with a request in front of us.

It makes it difficult, I think, for Albertans to understand this kind of start-and-stop spending, and it's certainly difficult for institutions – for hospitals, for schools, and for infrastructure – for those people supplying services to be caught in a budget cycle that is unpredictable. It also makes it very hard to make sense of the business plans and to really take seriously the business plans when we see some of them modified. We've seen, for instance, in this past year budgets in some of those departments modified twice through a supplementary supply.

That's not to say, Mr. Chairman, that there are not legitimate reasons for supplementary supply for the government to have to respond to unforeseen circumstances. I don't think we'd be unreasonable enough to expect that that wouldn't happen. But it's the regularity with which it seems to occur that we find bothersome, and we find it difficult, again, to put credence into the kind of planning that's put before us at budget time and in the business plans knowing full well that before the year is out, those plans will likely, if past practice is any indication, be changed.

It's a practice that each time it comes before the House we've remarked on. We've been supportive of some of the supplementary supply requests, as I indicated, but we think the practice is one that has become incorporated into the way the government does its planning, and we think that that's an unfortunate turn of events. The stability fund was supposed to be in place to take up the slack and to give the government the kind of flexibility it needed, but it doesn't seem to work.

There is money here with respect to the Aboriginal Affairs and Northern Development department and the costs attributed to implementing the Fort McKay First Nation land claim settlement, and it seems that this was a sum that could have been expected.

There are some I think defensible requests in Health and Wellness. I think the West Nile virus threat was something that was thrust upon the government, and some of the increased health benefits program costs couldn't be foreseen, but I think things like Alberta Wellnet for the pharmaceutical information network are more appropriately budget line items at budget time than requests at supplementary requisition.

Similarly, for Human Resources and Employment it would seem that there are legitimate requests there when you have additional caseloads and increased costs per case. Those are things that you can't predict. But with respect to the skills investments program, again that would seem to be more appropriate as a budget line item.

In Infrastructure the gas rebates are really, again, something the government can't control, although it's hard to understand why a sum wasn't put in the budget in anticipation of what might have been. It raises the question, because this is the second time this year we've been back for rebate money, about the quality of the planning that's being undertaken.

8:10

Innovation and Science. They raised the questions before about Imagas and the questions that the Auditor General has raised about

that program and the shortcomings that seem to be associated with it and that still have to be addressed.

The Department of Learning. It's a curious sort of set of requests in Learning because at the time of the arbitrated teachers' settlement, the government's refrain was: there's no more money. The minister and the Premier went out of their way to make that abundantly clear, and they used that phrase over and over again: there's no more money. Yet we have in front of us a total of \$14,600,000 in supplementary supply requested to alleviate cost pressures, increased costs.

So it's a little hard, I think, for Albertans and in particular for teachers and school boards to understand why at a point several months ago, when they were faced with increased costs, the government's reaction was no more money, yet here in front of us there obviously is more money, another \$16 million, that's been put into the system. It seems that the previous statements could have been nothing more than political and had little to do with responding to legitimate costs that boards were facing as a result of the arbitrated teachers' settlement.

The \$3,500,000 for future cost of student loans issued and the heritage scholarship money is understandable, but the other increases again seem to be arbitrary and put forth in a spirit that's not consistent with what the government said was the real situation just a few short months ago.

The request for Seniors, the need for additional year-round and seasonal beds in homeless shelters, the costs of long-term care accommodation fees: large dollars being put into those. It seems, again, that the planning that leaves those seniors facing huge increases and then requests coming along for this kind of injection this late in the year raises questions about the kind of planning that's going on with respect to accommodation for seniors.

Mr. Chairman, those are some of the comments that I wanted to make. I guess one last one, Sustainable Resource Development. Again it seems to be a legitimate request for a supplementary requisition. No one can predict the kind of firefighting situation that the province is going to face, and you do your best guess in terms of estimates. Obviously, no one could have predicted what was going to happen last year, so it does seem to be a legitimate use of the supplementary requisition process.

Thanks, Mr. Chairman.

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

Mr. Bonner: Thank you, Mr. Chairman. I welcome the opportunity to make a few comments on Bill 14, the Appropriation (Supplementary Supply) Act, 2004. I have to start my comments with the whole idea that not too long ago in this Assembly we passed Bill 2, which was the highly touted new fiscal framework for the province. This occurred in the Financial Statutes Amendment Act in the spring of 2003. What this particular act did was enshrine into law several new fiscal rules that promised Albertans would be protected from riding the energy roller coaster. This new fiscal framework was supposed to put an end to stop-and-start program funding and the government's reliance on supplementary supply.

Yet here we are again in this Assembly less than a year later, and we are not following the framework that was in Bill 2. Bill 2 capped government resource revenue spending at \$3.5 billion, but recently the Premier announced that new legislation would be introduced this spring to raise that resource revenue spending cap by \$500 million, to \$4 billion, most of which is earmarked for health and education. In that regard, I certainly know that both of these areas can use that money.

Now, then, as well, I had a call here last week from the Glengarry

Child Care Society. They've been in operation now for 32 years. Most of the children that are there, in fact 90 per cent of the children, are in single-parent families. They owe a tremendous amount of money for the cost of utilities. The single-parent families are now responsible for 68 per cent of all costs, and these costs range, just to operate the building, in the neighbourhood of \$5,800 to as high as \$6,500. They are a nonprofit society, and they certainly cannot keep going at this pace.

So what happens in that situation, where those people are certainly trying to take care of their families, trying to have an affordable place for them to leave their children when they are studying or working? In that case, I know that when they look at the supplementary supply that we are debating tonight, some assistance certainly will be of some help but, again, not enough to keep the costs reasonable for these people.

This Bill 14, the supplementary supply, is the second supplementary supply requested by the government in the current fiscal year. In November 2003 16 government ministries and one office of the Legislative Assembly requested a total of \$1.251 billion in supplementary supply for operating expense and equipment and/or inventory purchases and capital investment. This was a considerable amount of supplementary supply to request, especially since the government's new fiscal framework had just been announced seven months earlier.

So we still have not in this province reached the point of stability. We are still coming back to this Assembly again and again for supplementary supply, and we still have not conquered the challenge of: how do we deal with our boom and bust economy? It seems that we have continual spending and continual extra demands for money.

Now, one of the areas that we have listed as some of the requests for supplementary supply is in the area of Infrastructure, and there is a total of \$35 million requested to provide for natural gas rebates. The same ministry requested a total of \$180 million for natural gas rebates in the first supplementary estimates, in November of 2003, so in this winter it brings the total amount requested by Infrastructure for natural gas rebates to \$215 million.

8:20

One of the questions that have arisen because of the amount requested in total of \$215 million, \$35 million of which is requested in this particular set of supplementary estimates, is: how much money in total is the government expecting to distribute to Albertans as natural gas rebates? If, as well, we could learn how much money was spent on natural gas rebates for January and February and how much those rebates are targeted to be spent this March. Another question that we would certainly like to ask is: has the \$180,600,000 requested by this ministry in supplementary supply four months ago been spent entirely?

So while I'm sure many, many Albertans are looking forward to the rebates, Mr. Chairman, and quite rightfully so, I think there are still some answers here that are required, and I look forward to those. Thank you very much.

[The clauses of Bill 14 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee now rise and report bills 14, 8, and 9.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Johnson: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: bills 8, 9, and 14. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

head: **Government Bills and Orders**
 Second Reading
 Bill 10
 Justice Statutes Amendment Act, 2004

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

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure to rise today to move Bill 10, the Justice Statutes Amendment Act, 2004, for second reading.

Mr. Speaker, it's almost a tradition in the House in the last number of years that there be a Justice Statutes Amendment Act to bring together minor amendments to a number of justice acts under a single bill for debate and amendment. This year is no different. Amendments to seven acts are proposed in Bill 10.

Perhaps the most significant change proposed is a new provision which will allow our courts to order monetary awards to be paid in instalments. Simply put, this change will help to protect current and future needs of Albertans impacted by injury or death. These changes are similar to the changes that were introduced last year in the Insurance Act Amendment Act for judgments in automobile claims.

Presently a court has no jurisdiction to award damages to be disbursed by periodic payments to a claimant rather than in a lump sum without the consent of the parties. Because the consent of all parties is needed to allow for periodic payments, most court judgments are made in a lump sum payable upon the judgment being made.

Courts and the legal community have indicated that lump-sum awards can present significant problems. Over the years this can create additional challenges for victims of serious injuries or for families who have lost an income earner. For example, lump-sum payments are subject to inflation and tax on investment income. The difficulties are greatest where there is a continuing need for intensive and expensive care and long-term loss of earning capacity.

Periodic payments provide protection from premature dissipation of awards by accident victims either spending their awards or greatly reducing them through investment choices. Mr. Speaker, I don't have the exact figures at hand, but in the global area research would suggest that when you have lump-sum awards, even of large magnitude, up to 80 per cent of the people who achieve those lump-sum awards have spent them, have no money left two years after the award has been received. So when you have a person who's been

provided with a judgment to compensate for loss of future income or to compensate for expenses going into the future for care because of a catastrophic injury, you can see that a lump-sum award in those cases doesn't actually do the trick.

The structured settlements have proven to be a very good solution to many of the problems associated with lump-sum awards. A structured settlement usually consists of an immediate cash award and an annuity. If structured in the normal way through an annuity, payments to the plaintiff are not subject to tax. The initial cash award is usually in an amount to cover special damages incurred before trial including out-of-pocket expenses and legal fees, immediate capital needs to pay for items such as a specially equipped house or wheelchair van or prosthetic devices, and then the initial cash payment is followed by periodic payments.

Where damages are claimed in court for personal injuries, for the death of a person, or under the Fatal Accidents Act, any party may ask a judge to order that damages be paid in whole or in part by periodic payments. The judgment must identify the specific damages for which the periodic award is to be made. For each of those damages it must also set out the amount of each payment, the date or the interval between each payment, the recipient, any annual percentage increase in the amount of each payment, the date or event on which payments will terminate, and it can include other material provisions that the court considers appropriate. The court may order financial security to ensure that the payments will be made.

On the consent of all of the affected parties the court can order that there be a future review and changes to the award as the court considers appropriate. On the death of a plaintiff any remaining periodic payments will be paid to the estate of that person until the termination date unless the judgment provides otherwise.

Payments for loss of future earnings are exempt from garnishment, attachment, execution, or any other process or claim to the same extent that wages or earnings are exempt under Alberta law. Payments for the cost of future care cannot be assigned to anyone unless the assignment is to a provider of care for the cost of products, services, or accommodation provided and is approved by the court. These provisions would apply to all court cases whether commenced before or after the day that the amendments come into force.

Mr. Speaker, Ontario and Manitoba have general enabling legislation for structured settlements of this nature. British Columbia and Saskatchewan have provisions for structured settlements restricted to automobile accidents, similar to the provisions under the Insurance Act. These amendments with respect to structured settlements would be amendments to the Judicature Act.

Now I'll address changes to three justice acts that all involve the validation of rules of court. There is a Rules of Court Committee, which features representatives from the Court of Appeal, Court of Queen's Bench, Provincial Court, the Law Society, and Alberta Justice, and it makes recommendations for changes to civil court practices and procedures. It has been our practice to embody those recommendations through an order in council without change.

8:30

These changes, including those affecting substantive law, are forwarded by the Rules of Court Committee to the Minister of Justice for consideration, and as I said, normally we accept the advice of the Rules of Court Committee. To be clear, substantive law involves anything that affects a litigant's rights. For example, there is a rule that if a party does not take steps to advance a claim after five years, the action will be dismissed. Another example would be any change to policy or procedure which involves which costs may be recovered in a civil proceeding.

After the recommendations for changes are submitted by the Rules of Court Committee, they are implemented through an order in council and then validated in legislation at a later date through, usually, a Justice Statutes Amendment Act. A separate validation process is necessary because provincial legislation does not explicitly state that the Lieutenant Governor in Council can make changes that affect substantive law.

So with Bill 10 we are making three changes to address this issue today and for the future. First, with a minor amendment to the Judicature Act the *Rules of Court* will be validated for the first time since 1997 as per the process that I just explained. Second, amendments to the Court of Queen's Bench Act and the Court of Appeal Act will state that the Lieutenant Governor in Council may make the rules of practice and procedure that affect substantive law as long as they do not conflict with federal or provincial laws. This will eliminate the need for a separate validation process in the future and remove any confusion as to whether or not the rules are valid between the time in which they have been approved by order in council and validated by statute.

From a public and a legal community perspective these minor changes will have no direct impact because the rules committee will continue to be the body which recommends changes that it deems appropriate to the *Rules of Court*, and those changes will continue to be affirmed, of course, through order in council.

The next area of amendment deals with the area of electronic documents. Alberta Justice is always looking to take advantage of new technologies to streamline the way we do business or to enhance existing programs to reduce costs. A minor change under the Provincial Offences Procedure Act will set the stage for us to do just that. This amendment will allow the courts to process tickets electronically.

Currently our court administrators are struggling to process the 1.3 million paper tickets that they receive annually, and it goes without saying that processing tickets electronically should be a much more efficient way of handling ticket volumes. This will allow enforcement agencies to file tickets with the court by transferring data electronically. This will generally apply to offences under the Traffic Safety Act. The change is expected to provide significant cost savings for court administration and the enforcement agencies, usually police, while having no impact on defendants who will still receive paper tickets by mail.

The amendment removes three barriers that have prevented the use of an electronic version of the tickets: the need for a ticket to be in a prescribed form, the need for a peace officer to sign an electronic ticket that's filed with the court, and the need for a justice of the peace to review the electronic ticket before a conviction can be entered. It's strictly an administrative change and will have no impact on a defendant's ability to plead guilty by paying a fine or to plead not guilty and have the case heard in court before a traffic commissioner.

Another minor amendment is proposed to the Court of Appeal Act which will allow for a judicial quorum, more commonly known as a panel, of fewer than three Court of Appeal judges to be used in situations as set out by the *Rules of Court*. This will allow the Court of Appeal to consider more matters than it does now. As part of this process, the Rules of Court Committee will recommend those matters which could be heard by panels of fewer than three. It's a relatively minor change which was specifically requested by the court, and providing this flexibility will help ensure the efficient use of Court of Appeal resources.

The next amendment that I'd like to raise is a minor amendment to the Jury Act. Currently if the amount in a civil case involving a personal injury or contract exceeds \$75,000, either party has the

right to have an action tried by a jury. The judge has limited discretion to limit when an action can be tried by a jury. Currently the courts may direct a civil trial to proceed without a jury in certain circumstances such as cases that involve scientific or highly complex investigations.

The amendment to the Jury Act under Bill 10 will give a judge discretion to direct, where appropriate, that parties use the summary trial procedure set out in the *Rules of Court* instead of a trial by jury. The summary process is quicker, less expensive than a jury trial, and recent case law from the Court of Queen's Bench has highlighted the need to give judges this discretion.

Another amendment under Bill 10 will allow that a Queen's Counsel appointment may be revoked where the holder has been disbarred or resigns in the face of discipline under the Legal Profession Act. For those who are unaware, Queen's Counsel, QC, is an honorary title that recognizes selected members of the Law Society or the Bar for both their professionalism and their contribution to the community. Every two years a committee made up of the judiciary and the legal community reviews nominations, and recommendations are made to the Minister of Justice. Criteria include competence, professional qualities, and contributions to the administration of justice but most importantly, from my perspective, the contribution that's made to the community.

Amendments to this legislation will provide that the designation may be revoked by an order in council. This is being done to ensure the integrity of this honorary designation while allowing us to continue to recognize members of the legal community who not only make important contributions to the profession but make very important contributions to our community as a whole.

Finally, we have a minor amendment to the Motor Vehicle Accident Claims Act, which I'd like to briefly mention. The motor vehicle accident claims program provides victims of motor vehicle accidents involving uninsured motor vehicles or unknown drivers. The Motor Vehicle Accident Claims Act protects both types of victims by ensuring that they have someone to recover personal injury damages from. This minor change under Bill 10 will simply incorporate the definition of motor vehicle from the Traffic Safety Act, which was brought into force last year, simply a housekeeping matter to have the same definition used under both acts.

The change will have no impact on claims already under consideration by the program or claims to be put forward in the future other than those things which people may have argued could be considered motor vehicles. Golf carts, for example, will no longer obviously qualify.

With that I'd like to encourage all members of this Assembly to support Bill 10, the Justice Statutes Amendment Act, 2004. As I say, it makes some relatively minor amendments to existing Alberta legislation but helps to ensure that our laws are up to date and ready to meet the current needs of Albertans.

Mr. Speaker, as Bill 10 was introduced for first reading yesterday, I have agreed with members of the opposition that we should adjourn debate to allow more time for preparation, so I would move that debate be adjourned at this time.

[Motion to adjourn debate carried]

Bill 15

Fiscal Responsibility Amendment Act, 2004

Mrs. Nelson: Thank you, Mr. Speaker. It is my honour to move second reading of Bill 15, the Fiscal Responsibility Amendment Act, 2004.

Mr. Speaker, last year I introduced legislation in response to the

report of the Financial Management Commission that amounted to new fiscal framework for Alberta. I am pleased to report to this Assembly that the fiscal framework, including its centrepiece, the Alberta sustainability fund, is working successfully.

The sustainability fund is fully funded, even though it has responded to forest fires that swept through our province and to the BSE crisis that has hit our agriculture industry and the rural economy. It has also cushioned Albertans from high natural gas prices by providing rebates.

The sustainability fund has also garnered us attention from the main credit and lending agencies. In its 2003 analysis, that confirmed Alberta's triple-A credit rating, Moody's credit research wrote:

Fiscal policy in Alberta has been very focused and effective for many years. The changes made this year with the introduction of the Sustainability Fund and Capital Account will only act to further strengthen the fiscal framework and help to ensure positive future outcomes.

Mr. Speaker, the fiscal framework is working. It provides a fund of \$2.5 billion that will sustain our core programs in the event that revenues fall, to respond to emergencies and disasters and to provide for natural gas rebates. I would remind all members of the House that this money is not available for ad hoc program needs or to dip into at will. It is there to sustain our core programs in the event that revenues fall.

Part of the fiscal framework included a limit on the amount of nonrenewable resource revenues available for programs. Currently our new fiscal framework limits budget spending of nonrenewable resource revenues to the lower of \$3.5 billion or the average of the three previous years. We propose to amend this to \$4 billion. I said last spring in this Assembly and elsewhere in public that over the course of the first three years we would monitor that limit of \$3.5 billion. I said that if it was a little too high or a little too low, I would come here and say that it should be higher or lower.

What's changed in the past year? Two things. Mainly, first, we're seeing strong forecasts of energy revenues in the medium term. These strong revenues give us the flexibility to address increasing costs. Secondly, the sustainability fund is fully funded. With that cushion of \$2.5 billion available to protect our core programs such as health care and education, we are in a position to adjust the formula. Re-evaluating the amount that goes into the fund is appropriate at this time.

8:40

The second proposed amendment I wish to address is a new addition. It proposes a new clause that would allow for First Nations settlements to be paid through the sustainability fund subject to cabinet approval. In essence, it would be similar to the existing emergency and disaster clause. The reason for the proposed amendment is that we can't budget for these types of settlements because of the potential impact on negotiations. At the same time, a large settlement could easily erode the contingency fund that we have in our budget.

Mr. Speaker, the new fiscal framework instituted with Budget 2003 is working well for our province. It will provide predictability in funding and allow regional health authorities, school boards, municipal governments, and others the opportunity to plan for the future.

The amendments proposed today are reasonable and sustainable changes that will have a positive and lasting benefit to Albertans' priorities. I therefore urge all members of this Assembly to support Bill 15.

Mr. Speaker, I too would like to move to adjourn debate.

[Motion to adjourn debate carried]

head:

Government Bills and Orders Third Reading

Bill 8

Blue Cross Statutes Amendment Act, 2004

The Acting Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. Bill 8, the Blue Cross Statutes Amendment Act, 2004, is based on the work and recommendations of the Alberta Blue Cross Review Committee, which reported to the Minister of Health and Wellness in 2002. In that regard, I would like to acknowledge and thank the members of that committee who worked with me in coming up with the recommendations. The committee consisted of Peter Hegholz, director of financial planning for Alberta Health and Wellness; Herb Schlotter, corporate counsel, Alberta Health and Wellness; Arthur Hagan, deputy superintendent of insurance and financial institutions with Alberta Finance; Carol Patrick, senior analyst of tax policy with Alberta Finance; Richard Whitehouse, director of risk management and insurance with Alberta Revenue; Bernard Rodrigues, external consultant, who was the former superintendent of insurance for the province.

I'd like to say, Mr. Speaker, that the subject matter of this review, which at first blush I thought would be fairly straightforward, ended up being a very complicated and complex investigation of the structure and the work of this organization, and I have to say that in my seven years of being in this Legislature and having participated in a number of different reviews and different subject matters, this was probably the most challenging one that I have participated in from a complexity point of view.

Initially, the main reason that this review was undertaken was because of concerns coming forward from a number of sources, including MLAs, that the Alberta Blue Cross corporation enjoyed advantages over private insurers operating in the health insurance field. So the main object of the review was to investigate this and see if in fact such advantages existed.

In the process of doing that, the review committee undertook quite an extensive review process, looking at Alberta Blue Cross from a thorough legal review, a document and historical review, a review of other provincial programs operating in the country, a financial review of the organization, an accountability review of the organization in terms of its governance, and a review of all of the types of business that it conducted. This formed the basis for the recommendations that were forthcoming to the minister. I can advise the Legislature that the investigation was very thorough, and it was done with the co-operation of Alberta Blue Cross.

In the final analysis, Mr. Speaker, I can say that everyone on the committee was of the view that Alberta Blue Cross is an excellent organization and has been providing supplementary health care plan services to Albertans for over 54 years in a very positive way. It is an Alberta organization headquartered in Alberta, has always been governed by provincial legislation, and is bound, of course, by national rules governing Blue Cross organizations in Canada, but it has always operated on a not-for-profit basis and never had any shareholders. From day one it has always been exempt from the Insurance Act and, therefore, never paid premium tax nor has it ever paid income tax.

Alberta Blue Cross, Mr. Speaker, has over a million Albertans as its clients for its various products and services. Eighty-five per cent of its business is involved in the administration of government-sponsored programs, most of which are government funded. They are within the Department of Alberta Health and Wellness and

within the Department of Alberta Human Resources and Employment. Fifteen per cent of its business involves employer group supplementary health care plans and certain individual health care plans as well as travel insurance. This 15 per cent of its business is where it competes with private companies operating in the province.

So the amendments that we see in the bill serve to level the playing field with private providers specifically in that area where Alberta Blue Cross competes with those providers in providing private insurance. The bill also provides clear rules for the responsibilities of directors acting on the board of directors for Alberta Blue Cross and also sets out responsibilities for the board, such as hiring auditors and the like, bringing the requirements of the governance of Alberta Blue Cross in line with that required for other corporations acting within the province. It also includes amendments which would define the various programs included in the Alberta Blue Cross plan which have never been set out specifically before. It sets out the ability for cabinet to set this out in regulation.

That in the main, Mr. Speaker, is the thrust of Bill 8. I think this bill has been quite thoroughly debated through the various stages in the Legislature, and I think it's good for Albertans, and it's good for Blue Cross.

I urge all members to support this bill in third reading. Thank you, Mr. Speaker.

8:50

The Acting Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I appreciate the opportunity to be able to make a few comments about Bill 8, the Blue Cross Statutes Amendment Act, 2004, at third reading. I think it's a first in the House that I can recall where a review committee makes the recommendations and the chair of the committee changes a major review. I guess it's hard to understand with respect to process how such a situation could come about. We just heard the member outline how thorough and comprehensive the review of the Blue Cross plan was.

One of the things that they looked at, of course, an important thing with respect to Blue Cross, was whether or not the nonprofit health insurance company should be allowed to keep its tax exemption. The majority of the members, as we understand it, said yes. They recommended in the report that the company should keep its tax-free status. When the final summary was written, the chair of the committee went against the consensus and recommended the course of action that the government now has adopted, and that is that Blue Cross lose tax-free status.

As disturbing as that is to Albertans and what's going to happen to them with respect to paying more, it's even more difficult in terms of Albertans understanding exactly what happened and what they can expect when review committees spend a lot of time looking at an issue and make a set of recommendations and use a lot of public resources in conducting their review to find that the recommendations can be arbitrarily changed and the recommendations go against the consensus of the committee.

It's a curious piece of work, Mr. Speaker, to say the least and one that, I think, people are still finding difficult to understand. Knowing the integrity of the chair of that committee, I find it really hard to understand how we ended up with the piece of legislation that we have before us this evening with such a contrary recommendation.

It does raise some questions that the opposition has raised in the past and maybe we should go back and work at again, and that's the whole notion of a lobbyist registration and some effort to get a handle on the role that lobbyists are playing in the drafting of

legislation in the province and influencing decision-making. I'm not sure whether in this instance it would have made any difference, but it does raise that issue for those of us on this side of the House. The rationale that's used to indicate that Blue Cross shouldn't keep its tax-free status is understandable in one context but certainly not when viewed in the context of the work of the committee if, as I said, the review is as thorough as the chair has assured the Assembly that it was.

So it's a bill we won't support, Mr. Speaker, but it's a bill that's troubling in terms of the way that it's arrived here.

Thank you very much.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to speak to Bill 8 on third reading. The New Democrat opposition identified this bill at the beginning of the session as one that was particularly troublesome and which caused us a considerable amount of worry. It is, as the Member for Edmonton-Mill Woods has said, interesting how the provisions of this bill were arrived at and how they evolved through the process of Conservative caucus decision-making.

But I think the real question is that there is some consistency in the approach to this bill with the government's approach to a number of other areas. One that comes to mind is electricity deregulation. When we have challenged the government repeatedly on the higher costs that consumers are paying for electricity as a result of deregulation, we get a variety of answers, things to do with debt load or it's just inflation or, you know, we can't do anything about it or any number of things.

One of the things that we do hear frequently when we spin the wheel for the answer of the week on electricity deregulation is that consumers now have choice. You know, choice is an interesting argument. It's used in a number of areas by this government to justify policies that would otherwise be completely indefensible because they increase the burden on the citizens of this province in any number of ways.

You have the same argument made with natural gas, you know, and you begin to wonder, Mr. Speaker, whether one molecule of methane is different from another molecule of methane or whether or not one flow of electrons at a certain voltage is any different from the flow of electrons from another company when, in fact, they're generated in the same places, carried along the same lines, and are in every way indistinguishable. But you have choice, and the choice comes with a significant increase in cost.

Normally what you get is a bunch of phone calls at 6 o'clock at night, when you're trying to have supper, from people trying to sell you their particular product, which is exactly the same product packaged in slightly different ways. With one you might get a set of steak knives, with another you might get a chance for a trip to Hawaii for a winter holiday, but the bottom line is that choice in this government's philosophy means paying more for precisely the same product.

We're going to have the same thing now with Blue Cross. Blue Cross is actually a tremendous organization that provides a tremendous service, and I recognize that some of its programs are not going to be covered by this so-called level playing field, but it has provided supplementary health care on a not-for-profit basis. There are member plans in Canada in B.C., Alberta, Northwest Territories, Saskatchewan, Manitoba, Nunavut, Ontario, Quebec, and the Atlantic provinces. They are members of the Canadian Association of Blue Cross Plans, and that association is responsible for maintaining and monitoring the standards of performance of its members and

so on.

9:00

Collectively, Mr. Speaker, Blue Cross plans cover approximately 7 million Canadians. The coverage represents 30 per cent of the supplementary health and dental market in Canada. The Blue Cross plans generate in excess of \$2 billion in annual revenue. What they've done is given very economic and very comprehensive supplementary health care coverage to Albertans for many, many years.

Now, the hon. Member for Calgary-Lougheed has indicated that this will only apply in areas where Blue Cross competes with private companies, and I'm not sure that she's putting it exactly correctly, Mr. Speaker. I think this applies to areas in which private health care companies would like to compete more vigorously with Blue Cross, and of course when it's offered on a not-for-profit basis, it can do so more cheaply.

For the life of me, Mr. Speaker, I can't understand what it is about more cheaply that this government doesn't get. More cheaply means that the people of this province get the product that they need, get the service that they need at a lower cost. In order to let private companies compete in this business, they will now have to pay more. So what? What is it about letting private companies in that makes it worth all of us having to pay more for our supplementary insurance?

Now, I know that hon. members have said and the government has said that the increase will be fairly minimal, but, Mr. Speaker, this government has been adding up a number of minimal costs in a bunch of areas, and it's beginning to cost a lot of money. The question that I can't understand is: why should we pay one penny more for supplementary health insurance just so some private companies can get in on the action? It doesn't make sense. It's not in the interests of the public of this province. It is only in the interest of private health care companies and their shareholders. So if that is who the government wants to serve, they should stand up and say so because they're not serving the public.

Mr. Speaker, we've seen a similar approach, I guess, in reverse with respect to the whole question of car insurance. Rather than adopt a public monopoly, which is suitable for that kind of service and which can deliver a much cheaper product, the government is insisting on retaining a bunch of small, multiple, and less efficient organizations competing, allegedly, with one another in order to provide the same service. The result has been considerably higher auto insurance prices in this province than in the other three western provinces, that have public auto insurance.

Now, there's a difference between a public monopoly – this is for the benefit of the Minister of Finance, who doesn't understand the difference, apparently. A public monopoly is operated in the public interest, is regulated, and is generally the most efficient way and the lowest cost way of providing certain types of services such as insurance and utilities. These are commonly the types of services that are provided through public monopolies.

It's very different from an unregulated private monopoly or near monopoly, as we have seen in the case of the packing industry for beef in this province, where two packing plants comprise 90 per cent of the business of beef packing in this province and, in the absence of an open border with the United States, have established a near-monopolistic position that allows them to fleece beef producers in this province while the government looks the other way.

Mr. Speaker, what we have here apparently is a government that is systematically favouring private interest at the expense of the pocketbooks of the ordinary voters who put them in power. Well, it won't be long before the people that put them in power – that is, the ordinary voters of this province – will realize what's going on, and

with any luck they'll come to that conclusion before the next election.

So, Mr. Speaker, I just want to indicate that I am totally opposed to this bill. I'm disappointed, quite frankly, that the committee's recommendations were not adopted because I think there was some common sense there, but obviously there was an intervention of some private-sector interests between the time the committee made its report and the time this bill was put before this Assembly. I think that's too bad because the changes will only benefit those private-sector interests and will harm the interests of the vast majority of the Albertans who depend on this service for their supplementary health insurance.

Mr. Speaker, with that I will take my seat and urge all hon. members to follow the lead of the original committee report and reject the approach that is contained in this bill. Thank you very much.

The Acting Speaker: Standing Order 29?

Anybody else wish to speak on the bill? The hon. Member for Calgary-Lougheed to close debate.

Ms Graham: Yes. Thank you, Mr. Speaker. I guess that for the members who have spoken tonight, the Member for Edmonton-Mill Woods and the other hon. member, I would just recommend my comments and remarks that were made in second reading and in Committee of the Whole, which took place earlier today, which I think would go a long way to answering a lot of the concerns that both of you have raised this evening.

Lastly, I would like to say very specifically that to the best of my knowledge there was certainly no private insurer that intervened at the last moment, certainly not with me and to the best of my knowledge not with any other of my colleagues, to cause any change in our views. There was one recommendation that is being referred to, that being the exemption from the payment of income tax, and the consensus of the committee was that Alberta Blue Cross not be required to pay income tax or a payment in lieu of tax.

However, the position of this caucus, based on the philosophy of this government, was different. But I just want to make it very clear that that was not the result, to the best of my knowledge, of any lobbying effort from any company to myself or any other member of my caucus.

With that, Mr. Speaker, I would conclude my comments and ask you to call the question.

[The voice vote indicated that the motion for third reading carried]

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

[Ten minutes having elapsed, the Assembly divided]

[Mr. Shariff in the chair]

For the motion:

Calahasen	Griffiths	Mar
Cao	Hancock	Marz
Coutts	Hlady	Maskell
DeLong	Hutton	McClellan
Doerksen	Jacobs	McFarland
Ducharme	Johnson	Pham
Dunford	Klapstein	Renner
Fritz	Knight	Smith
Gordon	Kryczka	Taylor
Goudreau	Lukaszuk	Woloshyn

Graham Graydon	Magnus	Yankowsky
9:20		
Against the motion:		
Bonner Mason	Massey	Nicol
Totals:	For – 34	Against – 4

[Motion carried; Bill 8 read a third time]

**Bill 9
Prevention of Youth Tobacco Use
Amendment Act, 2004**

The Acting Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. Bill 9, the Prevention of Youth Tobacco Use Amendment Act, 2004, makes certain specific amendments to a bill that was proclaimed almost a year ago, in April of 2003, the Prevention of Youth Tobacco Use Act, which was the result of work done by the Member for Wetaskiwin-Camrose, who has been a big proponent of nonsmoking, along with the leadership also shown by the Minister of Health and Wellness. They have been very instrumental in assisting this government in implementing the overall strategy to reduce tobacco use in the province not only for youth but for adults as well.

Being someone who quit smoking five years, about two and a half months, and so many hours ago, it being the most difficult thing I ever did in my life, I wholeheartedly support anything we can do to stop people from ever starting in the first place. I wish I had been one of those people. I was silly enough to have started when I was 21 years of age.

In any event, Mr. Speaker, with the proclamation of the original bill, the Prevention of Youth Tobacco Use Act, last spring, it has come to light that there were some improvements that were needed in the bill to make it more effective and more enforceable. The amendments that we see in Bill 9 accomplish, it is hoped, three main purposes, and that is to allow for regulations to be developed to define necessary exemptions for when youth can possess tobacco for very limited purposes, those purposes having been described in the debate in second reading and Committee of the Whole; secondly, to provide a broader definition of what a public place is where youth are not permitted to be in possession or to be smoking; thirdly, to provide for evidentiary rules for the use in court of prosecuting infractions relating to the use of certain inferences and certificates of analysis.

So all told, Mr. Speaker, this bill goes a long way in helping us to advance our strategy to help Albertans avoid smoking or compel them to quit. I would hope that all members will see their way clear to support this bill.

The Acting Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have an opportunity to make some comments at third reading of Bill 9, the Prevention of Youth Tobacco Use Amendment Act, 2004.

The World Health Organization a number of years back set forward an outline of what they thought a comprehensive tobacco control strategy might include, and part of their outline is a legislative component. It's interesting, Mr. Speaker, to see how comprehensive the legislative strategy that they propose is. One of the proposals they make is that "the accessibility of tobacco products

should reflect the gravity of harm associated with their use," and they go on to list a number of things that that effort should include.

- a taxation law that reduces affordability;
- I think that the government has moved in that direction.
- an end to tobacco sales in health care, educational and athletics facilities;
 - an end to tobacco sales in vending machines and from self-service displays;
 - the effective elimination of tobacco sales and distribution to children.

Of course, this goes to Bill 9.

They also indicate that there should be full and free consent among users and potential users of tobacco products. This would entail the following:

- an end to all direct and indirect forms of tobacco advertising, because tobacco advertising is inherently misleading;
- an end to the misleading messages conveyed on tobacco labelling and packaging;

I think there's been great progress made in this area.

- prominent, detailed and frequently updated health information on . . . tobacco packaging and at point of sale;
- full public disclosure of . . . toxins and additives;
- mandated public health education efforts.

I think we've moved a long ways in terms of having some of these strategies in place.

Further, they recommend that there would be "guaranteed assistance to those who wish to cease using tobacco products and assistance for tobacco users seeking compensation for their harm."

They have a rather comprehensive legislative agenda. Part of it, that I don't think we've addressed here and that has been an issue in the province to our west, is "a guarantee of a smoke-free public spaces, workplaces and public transit." It's been an issue in British Columbia, and that's where workers in facilities who were forced to work in and deal with second-hand smoke have been successful in having that harm removed.

They also recommend that there be "guaranteed and simplified methods of redress for those harmed by environmental tobacco smoke." So, again, as I say, a comprehensive list, and we watch the government as it moves. We understood that there was a comprehensive strategy that was proposed, and the government for some reason backed away from it. Instead, we've had a more piecemeal approach. I guess that given the devastating effect of tobacco on people, we should welcome any progress with respect to curtailing it.

It's for that reason that we'll be supporting Bill 9 and encouraging the government to look at recommendations from organizations like the World Health Organization and to bring forward a comprehensive tobacco strategy that would be effective in curbing the use and penalizing those who promote the use and working to have in place effective public education programs.

With those comments, Mr. Speaker, I'm pleased to support Bill 9. Thank you.

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

9:30

Mr. Mason: Thank you, Mr. Speaker. I think that most sections of this bill are certainly positive and acceptable to us. There is one concern, and that is the section that allows the creation of regulations which can exempt persons or classes of persons from the application of provisions of this act. I guess I could go along with that if the act specified, for example, ceremonial purposes in First Nations ceremonies and so on where tobacco is an important piece of the ceremony.

Where the concern comes in is the intention that the government

has indicated to allow minors working in stores to vend tobacco products. That's not an exemption to this that we feel comfortable supporting, Mr. Speaker. I think that minors ought not to be selling tobacco products when there is such a strong emphasis on cracking down on selling tobacco to minors. If you go into virtually any store that sells tobacco products, they have signs there about IDing anyone that looks like they are underage, and there is a really strong focus.

I know that during the time I was on city council, we adopted strong measures in connection with stores that sold tobacco to minors. The federal government enforcement was very, very thorough and strong, and they would go in and do sting operations on a regular basis to stores, including corner stores and bigger stores right across the city. They would come before us with the convictions that they had obtained and ask the city council to enforce its bylaw, and we would lift the tobacco licence of any store thus convicted.

Now, what happens to that process when minors are selling tobacco themselves? They then have access to the tobacco, and the line is blurred. It becomes more difficult to enforce this direction. Both the city of Edmonton and the federal government were and still are quite vigilant with respect to this issue, and I think that this particular change when these regulations are brought forward will make that effort more difficult. It will introduce more ambiguity and perhaps potentially more opportunities for the law to be circumvented.

So on that basis, Mr. Speaker, I have to regretfully inform the House that I will be unable to support this bill.

The Acting Speaker: Standing Order 29?

Anybody else wish to participate in the debate? The hon. Member for Calgary-Lougheed to close debate.

Ms Graham: Yes, Mr. Speaker. Would you please call the question.

[Motion carried; Bill 9 read a third time]

Bill 7

Senatorial Selection Amendment Act, 2004

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: On behalf of the hon. Minister of International and Intergovernmental Relations I would move Bill 7, Senatorial Selection Amendment Act, 2004, for third reading.

As has been discussed earlier in the House, this is a very modest act. It simply changes the expiration date of the act from 2004 to 2010, thus keeping the mechanism in place for Alberta to elect persons to stand for the Senate of Canada in their continuing objective to encourage Senate reform.

It has been said in committee – but I'll repeat it now – that the extension of the act does not extend the terms of those people who were elected as Senators-in-waiting. Those terms expire this year, but it is useful to continue to have this act available to us to continue as part of the ongoing pressure, commitment, and lobbying to keep the issue before the Prime Minister and the government of Canada with respect to the concept that in this country provinces who do not have the population of Ontario or Quebec still need a voice in government, and that voice could be provided by an equal, effective, elected Senate.

If we have in some small way improved the selection process even as it stands now by having a Senatorial Selection Act – and, as I commented in committee, I believe that in terms of the appointments

that have been made in Alberta, we have clearly surpassed the quality of appointments made elsewhere in the country, not being done so blatantly on a political basis but having been done on a meritorious basis. I refer to my own constituent, Senator Tommy Banks, in that category and Doug Roche as well, an excellent Senator for Alberta albeit appointed.

I truly believe that the Senatorial Selection Act has had two effects. One is that it keeps a mechanism in place for us to do a Senatorial selection process, one which did see the first elected Senator appointed, Stan Waters, which does continue to keep in the public eye and in front of the federal government the need to have Senate reform and one which puts a mechanism in place which forces the Prime Minister, when putting forward senatorial candidates and ignoring the wishes of the provinces in doing so, to be very, very careful about the appointments that he makes.

So I would encourage us to pass this bill and extend the act.

The Acting Speaker: Anybody else wish to participate in the debate? The hon. Government House Leader on behalf of the Minister of International and Intergovernmental Relations to close debate.

[Motion carried; Bill 7 read a third time]

Bill 6

Income and Employment Supports Amendment Act, 2004

The Acting Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. I move that Bill 6, the Income and Employment Supports Amendment Act, 2004, be now moved for third reading.

Mr. Speaker, this piece of legislation is an enabling piece of legislation allowing the Department of Human Resources and Employment to pursue noncustodial parents with respect to enforcing child maintenance court orders.

I believe everyone in this Assembly would agree that definitely the thought behind the bill and the purpose of the bill are valuable ones. Unfortunately, in this province we have too many noncustodial parents who have absolved themselves of the responsibility to meet their financial responsibilities towards their children, having had their marriage dissolved. This bill will simply allow the minister and the department to more thoroughly investigate those noncustodial parents, finding out their assets, finding out their means of income, finding out perhaps even their whereabouts in order to successfully enforce child maintenance agreements to the benefit of those children who are now in low-income families and definitely could use those dollars.

Mr. Speaker, as such, I would encourage all members of this Assembly to support this bill and pass it into law.

Thank you.

9:40

The Acting Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. As the mover indicated, it's a bill that we'll welcome. I think all of us in our constituency offices deal not daily but at least on a weekly basis with individuals trying to gain the support for children that the courts have ordered and that those youngsters and those families need, and anything that will move that process along and will help those families gain the kinds of resources that courts have judged should be theirs I think is worthy of our support. It remains a huge problem, an unfortunate one in terms of individuals not living up to their responsibilities, and

Bill 6 I think is one more tool in trying to rectify the situation and to bring some fairness to the individuals that are involved.

Thanks, Mr. Speaker.

The Acting Speaker: Anybody else wish to participate in the debate? The hon. Member for Edmonton-Castle Downs to close the debate?

[Motion carried; Bill 6 read a third time]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 9:42 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]