

Legislative Assembly of Alberta

Title: **Thursday, March 24, 2005** 1:30 p.m.
Date: 05/03/24
[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. We give thanks for our abundant blessings to our province and ourselves. We ask for guidance and the will to follow it. Amen.

Please be seated.

Vignettes from Alberta's History

The Speaker: Hon. members, on this day in 1930 the Edmonton Grads beat the Seattle Ferry Lines by 59 points over two games to retain the Underwood Trophy and the women's international basketball title.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Agriculture, Food and Rural Development.

Mr. Horner: Thank you, Mr. Speaker. On your behalf I would like to introduce to you and through you 81 grade 6 students from Westlock elementary school, which is located in the Barrhead-Morinville-Westlock constituency. They are accompanied this afternoon by teachers Dan McDonald and Maggie Cournoyer; student teacher Melissa Nesbitt; program assistants Heather MacKenzie and Marlene Davis; parents Kathy Prodanuk, Curtis Snell, Cheryl Frose, December Brown, Lori Glebe, Irene Empey, and June Kandt; and bus drivers Margarite Riopel and Dee Kibler. They are seated in both galleries today, I believe, and I would ask that they rise and receive the traditional warm welcome of this House.

The Speaker: The hon. Member for Battle River-Wainwright.

Mr. Griffiths: Thank you, Mr. Speaker. It's a pleasure to rise today and introduce to you and through you to members of the Assembly 30 of the most outstanding Albertans this province has ever seen. We have students from Coronation school, my home town, and they are accompanied by their teacher, Mr. Dan Kinakin, and parent helpers Gail Dabbs, Kim Thulien, Joan O'Toole, Donna Hawker, and Jo-Ann Sieger. All members should be so lucky as to have constituents like these. I ask them to rise and please receive the warm welcome of the members of this Assembly.

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

Mr. Taylor: Thank you, Mr. Speaker. It is a privilege and an honour to be able to rise in the House today and introduce to you and through you to all members of this Assembly three more outstanding Albertans, who happen to be the three most important people in my life. My wife, Martha, my son Scott, and my daughter Jennifer are here from Calgary today to view the proceedings and probably pass comments to their husband and father on them later. They are seated in the members' gallery because they're going to be a tough audience today, and I would ask them now to rise, please, and receive the warm welcome of the House.

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

Ms Blakeman: Thank you very much, Mr. Speaker. *Pith!* is a play that was created here in Alberta. It's had a successful run in New York City, in fact so successful that the cast and crew have been invited back to New York, and then they will be continuing on to Ottawa for the Alberta Scene. We have some cast and crew members here in the gallery today. I like to introduce them to you and through you to all members of the Assembly. I'd ask you to rise as I call out your names: the playwright, Stewart Lemoine; the always elegant Davina Stewart, who's a performer; Leona Brausen, doubly talented, a performer and the costume designer for the show; and Ian Rowe, the stage manager that wrangles them all into organization. Please congratulate this very talented group of people.

head: **Oral Question Period**

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

Securities Commission

Dr. Taft: Thank you, Mr. Speaker. Maintaining the integrity of the Alberta Securities Commission is crucial. Our economy depends on it, as do members of the public and a great many honest and ethical corporations and dealers who rely on the ASC. My questions are to the Finance minister. Can the minister tell us if there has been any political interference in the appointment of members of the Alberta Securities Commission, or were all members properly recommended through the ASC search process?

Mrs. McClellan: Well, Mr. Speaker, I cannot tell the hon. member at this point exactly how in the past members have been appointed. My understanding is, though, that there are recommendations from the board or from the commissioners, from the commission themselves, and then they're duly appointed. I would be pleased to search that information and respond at an appropriate time.

The Speaker: The hon. leader.

Dr. Taft: Thank you. Again to the same minister: can the minister inform us about the composition of the search committee for the new ASC chairman and assure us that there are no political appointees to that committee?

Mrs. McClellan: I can tell the hon. member that the search is being handled by an external group. Beyond that, I have absolutely no information on who they have received applications from and/or what point they are at in their search.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. Again to the same minister. In light of the information the minister has received about interference in investigations, will she direct the Alberta Securities Commission to review recent high-profile cases involving ASC violations?

Mrs. McClellan: Mr. Speaker, to date what we have are allegations. These are serious. I expect a full and proper assessment from the commission when they've had an opportunity to review the information that they've received. I am expecting, from what they have stated themselves publicly yesterday, that they are going to make recommendations to me very shortly. We'll proceed from there when I receive that report from them.

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

Automobile Insurance Rates

Dr. Taft: Thank you, Mr. Speaker. On March 22 in this Assembly the Finance minister indicated that there are some 72 companies that provide auto insurance in Alberta. According to the Automobile Insurance Rate Board website, there are only eight companies volunteering with premium reductions. One company has rolled back their rates by only 1 per cent. To the Minister of Finance: since the minister has only made the premium reductions a volunteer exercise, why didn't the minister make the cuts mandatory in order to protect all Alberta consumers?

Mrs. McClellan: Mr. Speaker, I asked the Automobile Insurance Rate Board for a recommendation and advice in this matter. They clearly recommended yesterday that we accept the voluntary commitments to this point, the companies that have filed. They expect others to file in the very near future.

I want to remind the hon. member that what we did indicate yesterday was that it was about 50 per cent of the clients that would be within the companies that have already filed. So while it may be 8 per cent of companies, it's 50 per cent of clients, and they do expect others to follow shortly.

Mr. Speaker, as I indicated yesterday, I've accepted the rate insurance board's recommendation, and we will watch the market forces at work with interest. I have no doubt that if it is necessary, the Automobile Insurance Rate Board will recommend further action.

Dr. Taft: Well, that's very interesting, Mr. Speaker. Given that the auto insurance rate board that the minister refers to is dominated by industry executives and the Morgex Insurance CEO recently admitted industry executives are, and I quote, all card-carrying Conservatives, what is this minister doing to ensure that the interests of the consumers and not the auto industry are being defended?

1:40

Mrs. McClellan: Well, Mr. Speaker, fortunately for us there are an awful lot of card-carrying Conservatives in this province. However, I assume they do that because they agree with and believe in the policies and good fiscal management of this government.

Mr. Speaker, I am fully satisfied that the Automobile Insurance Rate Board has looked at this matter very carefully. They have said very clearly that they would recommend that we accept the voluntary reductions, that we watch the market forces at work and, if necessary, would follow up with further action. I would further remind the hon. member – and I'm sure he would recall this – that there will be a complete review done by the Automobile Insurance Rate Board this summer, and their final determination of what reductions should take place on the compulsory insurance will occur this fall.

Dr. Taft: Very disappointing, Mr. Speaker. Will the minister then for a change, here, do the right thing and remove industry representatives from the auto insurance board or at least provide an equal number of consumer representatives?

Mrs. McClellan: Mr. Speaker, I have absolutely no reason to believe that the members of that board are not carrying out their duties faithfully and in the interest . . .

An Hon. Member: Could you put a Liberal on there?

Mrs. McClellan: It's hard to find one of those, if you heard the aside, Mr. Speaker.

Mr. Speaker, I don't hold with casting aspersions on the names of good people who put their service available to the people of this province. If the hon. member has any concern with any member of that board, he should do the right thing and bring it forward with the reasons for that rather than blanket doubt on good people.

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

Mr. R. Miller: Thank you, Mr. Speaker. As my colleague from Edmonton-Riverview just mentioned, *Thompson's World Insurance News*, a well-respected insurance industry journal, recently reported that Alberta's Conservative government will lose long-time supporters in the insurance industry if it unilaterally rolls back auto insurance rates. My questions are for the Minister of Finance. Was the decision to allow voluntary reductions in auto insurance made to avoid alienating the Conservative government's core supporters?

Mrs. McClellan: Mr. Speaker, I'm not sure that question really deserves an answer.

Mr. R. Miller: Mr. Speaker, will the minister now admit that the decision to not significantly cut premiums was due to the industry having the ear of the Automobile Insurance Rate Board?

Mrs. McClellan: Mr. Speaker, again, casting aspersions on good people who have allowed their name to stand and be a part of a board to act in the best interests of the consumers of this province I think is despicable. Again, I don't think the question dignifies an answer.

Mr. R. Miller: Let's let the consumer have a say.

Mr. Speaker, in light of the circumstances, then, would the minister now consider finally – finally – creating a lobbyist registry in this province so that we know who has the ear of the rate board?

Mrs. McClellan: Mr. Speaker, again, I have extreme difficulty with members standing in this House casting doubt on the good work and the good name of people who serve the people of this province. If they have any evidence that any of these people are not working to the terms of their placement with that board, bring them forward. But to continually stand in this House and cast aspersions on good people for whatever gain I find reprehensible.

The Speaker: The hon. leader of the ND opposition, followed by the hon. Member for Peace River.

Mr. Mason: Thank you very much, Mr. Speaker. The great Alberta car insurance rip-off continues. Just last year the private auto insurance companies made profits of \$4 billion. Even the Conservative's own toothless Automobile Insurance Rate Board says that compulsory auto insurance rates are way too high and as recently as last month was calling for mandatory rate rollbacks. Instead, the government is leaving rate reductions up to the companies themselves, and that means, of course, that most people will get no rate reductions whatsoever. This question is to the Minister of Finance. How can the government justify letting Alberta drivers continue to get ripped off when its own rate board found that premiums are at

least 12.7 per cent too high even after allowing for normal industry profits?

Mrs. McClellan: Well, Mr. Speaker, I'll go through this one more time. The \$4 billion that the member refers to refers to the industry as a whole, not strictly automobile insurance, and to infer otherwise is really quite, quite wrong and unfair. I asked the Automobile Insurance Rate Board, which was put in place for expressly that reason, to do an interim review to see whether rates should come down in the short term. But I would remind the hon. member that that rate board will be reviewing all of the information this summer and will be coming back with a recommendation as to whether there should be further reductions.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. It's time this minister was fair to the drivers.

Why is this government allowing U.S.-based insurance giant State Farm Insurance to continue ripping off drivers by agreeing to reduce premiums by a token 1 per cent and allowing other companies . . .

The Speaker: There is a question there. The hon. minister.

Mr. Mason: Well, I haven't finished.

The Speaker: Well, I'm sorry. You only get one question, not three.

Mrs. McClellan: Mr. Speaker, I again will remind the hon. member that in October of 2004, when reforms came into place, companies were at a different point in setting rates. Some had already had reductions in place; some had not. The 5 per cent applied overall.

Frankly, today an automobile insurance company can go to that board and ask to have their rate reviewed as to whether they want a reduction in the rate or feel that they should not have a reduction because of the point that they came into this with. So for the hon. member to try through his question to make the inference that everyone was on the same level when this started just simply speaks to his lack of knowledge about the actual reforms.

Mr. Mason: When is this minister going to find her spine, stand up to the insurance industry, and reduce rates for compulsory insurance by at least 12.7 per cent in excess profits?

Mrs. McClellan: Mr. Speaker, I will just say one more time: the Automobile Insurance Rate Board has recommended to the minister that we accept the voluntary reductions, which range generally from 4 to 8 per cent. We expect that other companies will file. I will remind the hon. member that when they file, the Automobile Insurance Rate Board will review their business, and they will determine whether 1 per cent is appropriate or whether 4 per cent is appropriate or whether 8 per cent is appropriate. They will continue their review as they had planned this summer, and indeed we may see further reductions.

The Speaker: The hon. Member for Peace River, followed by the hon. Member for Edmonton-Gold Bar.

Senate Appointments

Mr. Oberle: Thank you, Mr. Speaker. Alberta has consistently affirmed its support for a Senate that is equal, elected, and effective, most recently by holding a free and fair election for Senate nomi-

nees. Unfortunately, the Prime Minister has again chosen to make his own appointments to the Senate. To the Minister of International and Intergovernmental Affairs: how will this latest development affect federal/provincial relationships?

1:50

Mr. Stelmach: Mr. Speaker, while this government will not criticize the people that the Prime Minister has appointed or their abilities, we really feel that the Prime Minister has missed an excellent opportunity to appoint from the list that was provided to him by the Premier. That list was the result of 700,000 voters participating in the Senate nominee election.

Prior to the federal election the Prime Minister had also referred to western alienation, saying that if he didn't deal with it positively, then he would look at his term in office as unsuccessful. Well, Mr. Speaker, this has done nothing to restore confidence in Albertans and build upon positive working attitudes with the federal government.

The Speaker: The hon. member.

Mr. Oberle: Thank you, Mr. Speaker. My only supplemental today is to the same minister. Given that the Prime Minister has chosen his own Senate representatives, who won't face election for at least another twenty years, how will the Alberta government ever achieve Senate reform?

Mr. Stelmach: Mr. Speaker, we will continue to do whatever we can in order to move this issue on the agenda of not only the Council of the Federation, meaning all of the 10 provincial Premiers and the territorial leaders, but we will also have our Senate nominees participate as ambassadors in talking about Senate reform and talking about Senate reform not only to every Premier and caucus in this province but to any other organization that's interested in Senate reform. And we will continue to push this agenda with the federal government because it is in the best interests of all Albertans.

The Speaker: The hon. Member for Edmonton Gold-Bar, followed by the hon. Member for Lacombe-Ponoka.

TransAlta Utilities

Mr. MacDonald: Thank you, Mr. Speaker. This Progressive Conservative government is so weak and so ineffective that Albertans have had to turn to American authorities to find out about the marriage of convenience between Enron, the corporation with the crooked E, and TransAlta. Only a full, independent, judicial public inquiry will determine if TransAlta ever said: I do. My first question is to the Minister of Energy. Given that this week an ineffective Progressive Conservative government has ignored the EUB's findings that TransAlta's past pricing strategies were unfairly overcharging Alberta consumers for power, why is this government failing to investigate TransAlta's relationship with Enron?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. I think it's important that before we answer any questions, we correct the preamble. It's very fortunate that Albertans have seen once again to elect a very strong majority, 62 members of this House, to return and form the government. Albertans continue to see that we're acting very much in their interest on this and in many of the issues if not all of the issues.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Albertans see that you're weak and ineffective.

Given that in the year 2000 TransAlta spent as little as one-tenth of 1 cent for electricity that they would sell for up to 50 cents per kilowatt hour, why did the government so generously give the hydropower purchase arrangements to TransAlta for very little money, for next to nothing?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. There have been a number of statements made about a marriage of convenience. They were taken from some transcripts. Those are things that have been brought forward, as he mentioned, from the Washington utility. Those have been examined by the market surveillance administrator. They've also continued to do the right things. The organizations that are in place to protect Albertans, being the watchdog, are acting, are watching, and are ensuring that these documents are reviewed, and that's why some of the information has gone to the federal Competition Bureau.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. My third question is also to the Minister of Energy. What role did the former vice-president of TransAlta, Jim Dinning, play in the hydropower purchase arrangement auction deal that was so sweet for TransAlta and so sour for the electricity consumers in this province?

Mr. Melchin: Mr. Speaker, I would invite him to go ask that question of the individual himself.

The Speaker: The hon. Member for Lacombe-Ponoka, followed by the hon. Member for Calgary-Currie.

Diversified Livestock Industry

Mr. Prins: Thank you, Mr. Speaker. In the last couple of weeks the hon. Member for Calgary-Mountain View has claimed that the threat of chronic wasting disease is so great as to merit the dissolution of Alberta's entire deer and elk ranching industry. He's even gone so far as to point to studies from Health Canada that back up his claims. As an elk rancher myself I know that there is no question about the safety of either the meat or the velvet products. However, I am concerned that this study will cause Alberta's diversified livestock industry harm in the long run. All my questions are for the Minister of Agriculture, Food and Rural Development. Does the minister know if this report is valid?

The Speaker: The hon. minister.

Mr. Horner: Thank you, Mr. Speaker. I guess in a word, as to the report, no. As I understand it, based on the quotes that have been provided to us, the report touted as presenting the truth about TSEs is in no way a valid scientific study. It's a draft report prepared for Health Canada which was found to be lacking in any scientific credibility whatsoever.

The scientific peer review, Mr. Speaker, performed by scientists from Health Canada and the CFIA found unanimously that while the report did consolidate some useful information, it was lacking in several key aspects. Not only that, Mr. Speaker – and it's important that this is out there – it lacked veterinarian and animal health

perspectives. It also failed to have any understanding of the practices of either the rendering or the abattoir . . .

The Speaker: I'm sure we'll get back to it in supplementals. The hon. member.

Mr. Prins: Thank you, Mr. Speaker. What will the minister be doing to try to repair the damage done toward diversified livestock producers and to their industry?

Mr. Horner: Well, part of the problem is the idea that this report had any kind of credence, Mr. Speaker. As I mentioned before, the scientific community found that this report lacked all critical review.

I've written a letter to the hon. Member for Calgary-Mountain View, asking for an immediate public apology for his comments. I'm also asking, Mr. Speaker, that he remove all mention of this report from the Liberal website although I understand that you can't connect to it anyway. His comments have hurt our industry and our producers, and he needs to rectify that damage that has been caused.

The Speaker: The hon. member.

Mr. Prins: Thank you, Mr. Speaker. My last question: does the minister know if the current science shows that there is any health risk at all from deer or elk products?

Mr. Horner: Well, as I've said many times in this House, Mr. Speaker, in response to questions from the other hon. member, all current published scientific studies show there is virtually no risk to human health associated with CWD or Alberta's elk and deer industry. Even recent current scientific studies clearly show that there is no risk from elk velvet. To suggest otherwise is totally irresponsible and damaging to this industry, and I would urge the hon. Member for Calgary-Mountain View to apologize to our diversified livestock industry.

The Speaker: The hon. Member for Calgary-Currie, followed by the hon. Member for Calgary-Shaw.

Seizure of Vehicles in Prostitution-related Offences

Mr. Taylor: Thank you, Mr. Speaker. To be effective and do their job, the laws that this Assembly passes to serve and protect the citizens of Alberta need to be proclaimed. Private member's Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003, received third reading in this House on November 24 of that year and royal assent less than two weeks later, and it still has not been proclaimed. My question is to the Solicitor General. What hasn't it been?

The Speaker: The hon. minister.

Mr. Cenaiko: Thank you very much, Mr. Speaker. The transportation safety amendment act will be coming before this House. I'd ask the Minister of Infrastructure and Transportation to supplement.

Dr. Oberg: Thank you very much, Mr. Speaker. There are about three or four amendments to the Traffic Safety Act that will have to be done to enable Bill 206 to be enacted. I personally feel that this is a very important bill, and it will be before the Legislative Assembly this year.

The Speaker: The hon. member.

Mr. Taylor: Thank you, Mr. Speaker. I'll direct this question, then, to the Minister of Infrastructure and Transportation. Can the minister explain, given that such laws are already in place in Manitoba and Saskatchewan and apparently working quite well, what the problem is with the Alberta version of the law that his amendments seek to address?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. It is my understanding that the Manitoba government has had to change some of the laws enacting that. It has to do with the seizure of a person's private property. We have been looking at this over the last two years, and we are bringing forward amendments that will enable this to happen. Again I'll reiterate: this is a very important bill; it's something that's going to help society significantly.

Mr. Taylor: All right. Mr. Speaker, then I'll direct this to either the Minister of Infrastructure and Transportation or the Solicitor General, whichever one prefers to answer this. Can either minister tell this Assembly when this legislation will be proclaimed? Can they give us a date?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. Before the legislation can be proclaimed, as I was saying, the traffic safety amendment act will have to be put forward on the floor of the Legislature. We anticipate that that will occur this spring. If the Liberal opposition were to pass it immediately, then I think the bill could be proclaimed immediately.

The Speaker: Well, just so there's no innuendo here, it is not just one caucus that can pass it. The Assembly would pass it.

The hon. Member for Calgary-Shaw, followed by the hon. Member for Edmonton-Meadowlark.

2:00 Automobile Insurance Rates
(continued)

Mrs. Ady: Thank you, Mr. Speaker. Yesterday the Automobile Insurance Rate Board announced that many drivers will be seeing lower auto insurance premiums soon. Rather than hear the political spin on it, I think my constituents want to know what the facts are. My questions are to the Minister of Finance. Why is there no reduction for drivers on the grid?

Mrs. McClellan: Mr. Speaker, the reductions will apply to all private passenger vehicle policies below the grid. That makes up about 80 per cent of drivers. The remaining 20 per cent have rates that are already capped by the grid. The grid that was established in October provides new and less experienced drivers with fair and affordable premiums. As well, drivers that have at-fault claims and violations pay according to their records. Drivers below the grid received a 5 per cent rollback in October, and those drivers will continue to see benefits or further opportunities for savings.

Mrs. Ady: With companies representing half the driving market having put forward reduction requests, what is expected of the remaining insurers?

Mrs. McClellan: Well, Mr. Speaker, we look forward to further requests. The Automobile Insurance Rate Board has indicated that they have indications from other companies that they will be coming forward, filing for changes in their rates, and the Automobile Insurance Rate Board will be letting me know what further reductions come in over the next two weeks.

Mr. Speaker, I've made it very clear that if I feel there's further action required or the rate board tells me that they believe there's further action that's required to make sure that drivers benefit from this, I will move very quickly with action.

Mrs. Ady: My final question to the same minister: does the report by the board mean that premiums will come down further in October?

Mrs. McClellan: Mr. Speaker, there's no way that I can anticipate for sure what would happen, but what I can tell you is that the Automobile Insurance Rate Board will begin their deliberations in June. This point I'm going to make is very important. The public will have an opportunity to provide input during this period, and I fully expect that they will. Any decisions that come out of that review will be announced in August and will take effect in July.* Now, that sounds a bit odd, but that's the timing that the rate board has established.

The Speaker: The hon. Member for Edmonton-Meadowlark, followed by the hon. Member for Edmonton-Beverly-Clareview.

Wild Rose Foundation Grants

Mr. Tougas: Thank you, Mr. Speaker. The Wild Rose Foundation uses lottery funds to provide grants to volunteer, nonprofit organizations. Continually, however, opposition MLAs hear reports about the involvement of government MLAs in the granting and distribution of Wild Rose funds, potentially tainting the process with political favouritism. My questions are to the Minister of Community Development. What role do government MLAs play in approving Wild Rose Foundation grants?

Mr. Mar: None that I'm aware of, Mr. Speaker.

Mr. Tougas: Again to the same minister: what role do government MLAs play in the distribution of Wild Rose Foundation grants including handing out the cheques?

Mr. Mar: Occasionally, from time to time, Mr. Speaker, MLAs are asked by groups throughout the province to support a particular cause. As good MLAs would, we respond to them. There are times when cheques are distributed by MLAs to such groups throughout the province.

The Speaker: The hon. member.

Mr. Tougas: Thank you, Mr. Speaker. What processes or systems does the government have in place to ensure that Wild Rose funds go to the appropriate organizations for the approved purpose?

Mr. Mar: Mr. Speaker, there is an auditing procedure that's put in place. It wouldn't be any different for the Wild Rose Foundation than for any other government-funded agency, board, or commission that distributes money to groups throughout the province.

*See p. 461, right col., para. 2, line 5

The Speaker: The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Calgary-Egmont.

Temporary Foreign Workers

Mr. Martin: Thank you, Mr. Speaker. We have seen in the last 14 months a 6.1 per cent unemployment rate in the construction trades, and recently an internal Suncor communications document says that there is no shortage of construction workers, only a shortage of workers willing to work under the Christian Labour Association banner. To briefly quote from a March 9 Suncor memo, "There are shortages within CLAC because many [Alberta Building Trades Council] members will not work on a CLAC site, hence the need for foreign workers." My question is to the Minister of Human Resources and Employment. In light of the Suncor memo, will the minister now admit that the construction trade shortages are not a labour problem; they are a CLAC problem?

Mr. Cardinal: Mr. Speaker, to start with, like I've clarified in this House the last four days, I believe, in relation to the issue of foreign workers, one thing I want to clarify again is that recruitment of foreign workers is under the full control of the federal government. The employers here in Alberta have to do an exhaustive process to hire local people, Albertans, Canadians.

Mr. Speaker, if anyone can show me an example of a qualified person that applied for a job and was turned down for a job with a company that is hiring temporary foreign workers, then let me know. Bring that person's name, and I guarantee you that I will personally take it to Ottawa.

Mr. Martin: Mr. Speaker, this is the old dodge from this government. I quote from Alberta Labour Force Statistics, an Alberta government document.

The Speaker: Hon. member, hold on. Attention une minute, s'il vous plaît. There's a rule about preambles, a very, very definitive rule about preambles.

Second question. Please proceed.

Mr. Martin: Well, Mr. Speaker, the dodge is simply this: since a 2001 Alberta government document says that it's policy to facilitate the entry of temporary foreign workers in the construction trades, why does the government keep insisting that it's only Ottawa's problem?

Mr. Cardinal: Mr. Speaker, to start with, you cannot at the provincial level approve temporary foreign workers. So whose problem is it?

Mr. Martin: I'll make it clear, Mr. Speaker. The point is that the government pushed for this. Why did they push for this then?

Mr. Cardinal: All I can say, Mr. Speaker: the government can take credit for a strong, good, well-diversified economy with thousands of jobs in Alberta.

The Speaker: The hon. Member for Calgary-Egmont, followed by the hon. Member for Calgary-Mountain View.

Road Safety

Mr. Herard: Thank you, Mr. Speaker. Best practices in other jurisdictions have shown that the best way to reduce the cost of auto insurance and to substantially reduce the cost of health care is to

reduce the number of injury accidents on our streets and highways. Recently the McDerimid report dealt with similar issues. To the Minister of Infrastructure and Transportation: what are your plans to reduce the number of injury accidents on our highways in response to the McDerimid report?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I think for the benefit of the House the first thing that we have to do is establish the magnitude of what we're talking about. Each year in Alberta there is roughly \$3.9 billion of cost through auto accidents. A considerable portion of that is actually in our health care system.

Mr. Speaker, the McDerimid report was quite a revolutionary report in how it came out and how it was done. One of the aims of this report is to decrease automobile accidents in Alberta by 30 per cent by the year 2010, so five years from now we will see a decrease of 30 per cent. There are other elements of savings, but this savings purely from a monetary point of view will be \$1.1 billion for the citizens of Alberta and close to \$500 million in the health care budget alone, so my congratulations to the people who put together the McDerimid report.

2:10

The Speaker: The hon. member.

Mr. Herard: Thank you, Mr. Speaker. To the same minister: has the minister compiled a list of high-collision locations throughout the province where infrastructure improvements may help to reduce the number of injury accidents and the cost?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much. Yes, we have, Mr. Speaker. First and foremost we attempt to do upgrades at those intersections, at those areas of road that have the highest number of fatalities, the highest number of accidents. We tend to do those first, and we do have a list that identifies all of these different areas on roads.

Again, Mr. Speaker, it's critically important. The safety of the roads, the safety of the people driving on the roads is something that's very, very important to this government, and we will continue to ensure that we have the best record in Canada.

The Speaker: The hon. member.

Mr. Herard: Thank you, Mr. Speaker. My final supplemental is to the Solicitor General. Since traffic law enforcement is key to reducing the number of injury accidents, what is this minister prepared to do to improve enforcement of our traffic laws to help reduce the number of injury accidents and thereby help to reduce auto insurance rates and health care costs?

The Speaker: The hon. minister.

Mr. Cenaiko: Thank you very much, Mr. Speaker. That's a very good question. The law enforcement community in this province is working with residents and the municipalities to look at those issues regarding where traffic enforcement should be set up, so there's that partnership between the community and the police.

I'd also like to state that the Solicitor General's department is co-chairing the Alberta traffic safety review with the departments of Justice and Transportation, and we're also on a subcommittee that is reviewing the best practices for the most effective enforcement strategies throughout this province.

The Speaker: The hon. Member for Calgary-Mountain View, followed by the hon. Member for Calgary-Fort.

School Infrastructure

Dr. Swann: Thank you, Mr. Speaker. The conditions at the Montgomery junior high school in my constituency of Calgary-Mountain View are deplorable. The government's own 1999 School Facility Evaluation Report characterized the school as dilapidated to the point of being unsuitable for public school use. Despite this, the government has done virtually nothing, to the detriment of the students and staff. My question to the Minister of Infrastructure and Transportation: can the minister explain why they have not taken action on these infrastructure deficiencies?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. We work in close conjunction with the various school boards around the province. Certainly, our top priority is the schools that are in the worst condition, and we're attempting to work down the list. We now have some schools that have audit scores of around 1,050 to 1,200. We're working right from the top and moving down to the bottom.

The key element to all of this, though, Mr. Speaker, is that the particular school board in the area has to be cognizant of this and has to put it together as to when and where they want their schools to be done. We have built roughly \$2 billion worth of schools and projects in the last several years.

The Speaker: The hon. member.

Dr. Swann: Thank you, Mr. Speaker. Given that this report indicates the presence of asbestos in the school as well as exposed lead paint, how can the government ignore these potential health threats?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. Obviously, if there is asbestos in these particular facilities, there are a lot of different things that can be done in order to alleviate the concern. Health concerns are our biggest single issue when it comes to renovations of schools, and it's something that we take very, very seriously.

The Speaker: The hon. member.

Dr. Swann: Thanks, Mr. Speaker. Given that the Calgary public school board has nearly \$400 million in deferred maintenance costs for the public system alone, when will this government make good on its commitment to deal with the infrastructure debt in schools like Montgomery now that it claims its own debt is gone?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. One of the things that we're dealing with in the system in general is basically an increase in the amount of space within the system. In Calgary public right now we estimate there are around 44,000 square metres of excess space. One of the things that we have to take a very serious look at is exactly where the schools are located, and we're presently doing that.

To give another order of magnitude, in Edmonton public there are roughly 168,000 square metres of excess space there today. The population of students is declining, Mr. Speaker.

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

Marijuana Grow Ops

Mr. Cao: Well, thank you, Mr. Speaker. The safety and security of neighbourhoods are very important to my constituents. During recent meetings in the community their concern was the proliferation of growing marijuana, or grow ops, in private houses. These grow ops bring with them violent crimes, drug production, trafficking, and deadly shootings in public. My question today is to the hon. Solicitor General. As the top cop of Alberta, so to speak, what tougher measures are you taking to deal with this proliferation?

The Speaker: The hon. minister.

Mr. Cenaiko: Thank you, Mr. Speaker. Large-scale marijuana cultivation is indeed a major problem not just in Alberta but throughout Canada as a whole, and it does place a great strain on the health care industry, the policing resources that are out there as well as the education resources and Children's Services.

This government has provided \$5 million a year to the integrated response to organized crime, which is police officers working in an integrated model to combat those grow operations throughout the municipalities and throughout rural Alberta. We also are providing another \$2.4 million to Criminal Intelligence Service Alberta, which provides the intelligence-led information that's gathered throughout the municipalities.

Two statistics, Mr. Speaker, that I'd just like to provide to you. In 2002 \$18 million worth of marijuana was seized by the southern Alberta integrated green team. In 2004, after IROC was formed, that increased to \$101 million, a 500 per cent increase.

The Speaker: The hon. member.

Mr. Cao: Well, thank you, Mr. Speaker. What I have heard from the law enforcers is that there are more suspected grow ops than they can deal with, so my question is to the Solicitor General. How do you plan to solve this situation?

The Speaker: The hon. minister.

Mr. Cenaiko: Well, thank you very much, Mr. Speaker. Again, the ability to integrate services, the ability to share resources between the major and the smaller policing community agencies that we have in Alberta has already started to show where we can and will be going in the future. I advise the hon. member that the Deputy Premier and Minister of Finance will be releasing her budget in a few weeks, and at that point in time we'll be seeing where our plan is going to be going in the future to enhance our response to organized crime and grow operations.

The Speaker: The hon. member.

Mr. Cao: Well, thank you, Mr. Speaker. There are an increased number of shops set up to sell greenhouse equipment, supplies, and fertilizer, and I believe that tracking the purchase of . . .

The Speaker: Remember the preamble rule.

Mr. Cao: My question is again to the Solicitor General. Do you have any plans to register and track these purchases, similar to monitoring the pawnshops?

Mr. Cenaiko: Well, Mr. Speaker, greenhouse equipment is used for legitimate purchases, especially this time of year, obviously, with the spring season coming and under way. But, no, we don't have any plans with regard to setting up some type of a model to track, I guess, the sale of legitimate greenhouse items at this point in time.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Foothills-Rocky View.

Age Care Ltd.

Ms Blakeman: Thank you, Mr. Speaker. In January the Calgary health region announced that it would be partnering with a private company, Age Care, to construct one new long-term care facility and upgrade two others. This private company, however, has a former chief medical officer, Dr. Jivraj, and a former board chair, Mr. Jim Dinning, on its board of directors. My questions are to the Minister of Health and Wellness. Was the minister aware that a former board chair and a former chief medical officer were involved with Age Care when in January the minister referred to this partnership as innovative?

Ms Evans: Mr. Speaker, whether I was aware or not aware does not subtract from the idea of an innovative partnership to provide long-term care. I was not aware of that position, but I was never given any cause for concern that that might be a compromise situation as it results in delivering quality health to those that need it.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Again to the same minister: is this government's third way a way for former public managers and directors to profit off our health care system? [interjections]

The Speaker: The hon. minister has the floor.

Ms Evans: Mr. Speaker, I spoke last Friday to the Alberta Medical Association on the ideas surrounding the third way, and I'll reflect back on what our Premier said about the third way. It's not about one big bang or one particular idea; it's about a thousand good ideas. It is about all the good things that we can do in Alberta to be innovative and creative and come forward with new ideas to not only improve access and shorten wait-lists but ensure that Albertans continue to be the healthiest people in Canada, that we target to be even healthier.

Mr. Speaker, there has never been any deleterious implication, as the member suggests, surrounding the third way.

2:20

The Speaker: The hon. member.

Ms Blakeman: Thank you. Again to the same minister: why is there no moratorium on public managers and directors prohibiting them for a certain period of time from becoming involved in commercial ventures with the same government entities they recently left?

Ms Evans: Mr. Speaker, I am really at a loss to respond to what I'm hearing across the House, which sounds to me like a bit of a drive-by shooting on good people who apply to do jobs in a legitimate fashion. Those kinds of allegations or insinuations do not serve the health care of Albertans. We should be building upon the best, and when we have the best who continue to be involved in the delivery of health care, why should we insinuate and damage, potentially, the careers of good people who are trying to continue to do good things?

The Speaker: The hon. Member for Foothills-Rocky View, followed by the hon. Member for Edmonton-McClung.

Highway 8

Dr. Morton: Thank you, Mr. Speaker. My constituents in Foothills-Rocky View are concerned about traffic safety on highway 8. Highway 8 is the road that connects highway 22 in the west to the southwest corner of Calgary. In recent years there's been growing traffic on this road, particularly truck traffic, resulting in an increasing number of accidents, some very tragic. My question is for the Minister of Infrastructure and Transportation. Mr. Minister, could you inform this Assembly what is being done to improve the traffic safety situation on highway 8?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. It's actually very interesting what the traffic accidents are due to on highway 8. In doing a comprehensive study, what we found was that 43 per cent of the traffic accidents were actually due to wildlife coming onto the road.

In saying that, though, there are a significant amount of other issues that are on that particular road. We're presently up to about 8,000 vehicles a day. At the intersection of 8 and 22 what is happening is that people who are turning left when there is someone beside them in the right lane cannot see if anyone is coming from the north. So this year, Mr. Speaker, we will be putting in a turn lane, which will enable much better vision and much better safety at that particular intersection.

Dr. Morton: Mr. Speaker, my constituents include those wildlife, so I'd like them looked after as well.

My second question to the same minister is: what is being done specifically at the intersection of highway 8 and 101st Street, which is the border of the city of Calgary.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. It's my job to ensure the safety of people who are driving on that road. Unfortunately, there are animals that do come onto it.

The intersection of 8 and 101 is another one of these examples where simply doing things like putting in different signage or putting in different blinking lights, for example, will certainly help. One of the issues that we have with this particular intersection, though, is that it is also under the jurisdiction of the city of Calgary, so we're working closely with the city of Calgary to ensure that there is something done on that intersection. I can assure the hon. member, who is very concerned about his constituents, that there will be something done this year. Signage is probably one way to go, but we certainly are working with the city of Calgary.

The Speaker: The hon. member.

Dr. Morton: Thank you. My final question for the minister is: what are the implications of the new ring road in the southwest section of Calgary for the future of highway 8?

The Speaker: The hon. minister.

Dr. Oberg: Thank you. That's an absolutely excellent question, Mr. Speaker, because obviously the ring road is going to go right through highway 8. What we anticipate is that this will take a considerable

amount of truck traffic especially off 8. Right now what is occurring is that a lot of the trucks are using highway 8 as sort of a shortcut to both highway 22 and highway 1. We hope that the ring road, when it is constructed, will actually take a significant amount off that and, indeed, may actually delay the amount of time that is needed for four-laning that road. I think it's going to make it a much, much safer road for the citizens of the hon. member's constituency.

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

SuperNet

Mr. Elsalhy: Thank you, Mr. Speaker. After numerous delays and months of setbacks the SuperNet file was removed from the hands of the Department of Innovation and Science and placed into the hands of the newly formed Ministry of Restructuring and Government Efficiency. That transfer has given this new ministry its heaviest and, as far as we can tell, its only workload. My questions are to the Minister of Innovation and Science. Can this minister explain to the House what went so wrong with the SuperNet that it had to be removed from his department and transferred to the superministry?

The Speaker: The hon. minister.

Mr. Doerksen: Well, thank you, Mr. Speaker, and I'm very pleased to answer that question. The SuperNet contract is probably one of the best examples of a partnership arrangement with private companies to deliver a service to all Albertans across this province, in every rural community that has a school, a hospital, a library, a government building that will allow digital traffic and actually renew the economies in both our rural areas and our urban areas. I'm proud to say that the government signed a fixed-price contract, and any overruns on the contract were borne by the private-sector company.

Mr. Elsalhy: To the same minister: were any jobs in his department affected due to SuperNet's move to this newly created entity?

Mr. Doerksen: Mr. Speaker, if I understand the question, when the corporate information officer went to the new department, those staff members would have gone over to that new department and currently are the responsibility of the department of restructuring.

Mr. Elsalhy: Given that the Ministry of Innovation and Science has not decreased in size despite the largest file being taken away, how is it, then, that this government is efficient? Why do we need two ministries to look after one file?

Mr. Doerksen: Mr. Speaker, I just answered that question. All of the personnel that were involved in that file under the corporate information officer were transferred to the department of restructuring, and we did not refill those positions in Innovation and Science. We've maintained the same staff load that we had to cover the other important areas of our ministry, which talk about the importance of delivering innovation and creating the opportunity for Alberta companies to compete globally, to provide an excellent lifestyle for our citizens, and, more importantly, to prepare the future for our grandchildren.

The Speaker: Hon. members, the hon. Minister of Finance would like to supplement an answer given earlier in question period.

That's a permitted procedure we have. It also then allows the originator of the question to ask a supplemental as well.

Automobile Insurance Rates

(continued)

Mrs. McClellan: Mr. Speaker, thank you very much for this opportunity. I really want to make a correction to when the rates would come into effect from the summer review, and in fact they would come into effect in October, not July. If you recall my answer, I questioned myself on it at the time, but it is October.*

Thank you.

The Speaker: The hon. Member for Calgary-Shaw?

head:

Members' Statements

The Speaker: Hon. members, in a few seconds from now I will call upon several members to participate.

I'd also like to advise all members of the House that the television cameras in the Assembly will continue to roll until after the departure of His Honour the Lieutenant Governor this afternoon.

Thirty seconds from now I'll call upon the first of four.

The hon. Member for Banff-Cochrane.

www.opentheborder.com

Mrs. Tarchuk: Thank you, Mr. Speaker. The March 4 Montana court ruling was just another obstacle this province's cattle industry has had to deal with since a cow in northern Alberta was discovered to have BSE on May 20, 2003. We have all been affected in some capacity after the discovery of an infected cow, especially our rural communities and rural businesses. One might have expected our rural communities to be torn apart after they lost one of the largest economic contributors to the rural economy, but that has not happened. Our communities, both rural and urban alike, have come together in support of each other through countless initiatives.

2:30

One of these grassroots initiatives is the Open the Border website launched in Cochrane last summer by Cochrane Dodge dealer Alex Baum and retired pro wrestler Dan Kroffat. This website continues to raise awareness about the challenges our ranchers face during this difficult time and also provides Albertans with the latest information regarding the border closure. Through this website these two individuals have captured over 150,000 signatures on a nation-wide petition in attempts to make a difference and ensure that resolving BSE issues remains a priority for politicians on both sides of the border. Last fall they travelled to Ottawa and personally delivered the petition to Members of Parliament, gaining much national media attention.

On behalf of everyone in the Legislature I would like to thank and acknowledge Alex and Dan for providing inspiration to our communities. They understand that Canadians for the most part feel helpless in the plight of our cattle ranchers and have found one way that all of us can say that we care.

Thank you very much, Mr. Speaker.

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

Market Value Assessments

Mr. Taylor: Thank you, Mr. Speaker. Spring is slowly returning to our province, the days are getting longer, the temperature is inching upwards, and in Calgary's and Edmonton's inner-city constituencies

*See p. 457, right col., para. 4, line 7

homeowners on fixed incomes are reeling from the effects of market value assessment. Market value assessment is kind of like the schoolyard bully that picks on the little kid. Every spring it creeps up the front steps, crosses the veranda, knocks on the door, and punches homeowners on fixed incomes right square in the nose.

In the city of Calgary this year, Mr. Speaker, the average residential assessment has increased 4.4 per cent, almost double the inflation rate, and in the inner city 1 in 10 homeowners will see their assessment jump by more than 10 per cent, which means that property taxes will climb that much as well.

Now, some people will say that folks whose assessments go up by that much have nothing to complain about. Market value assessment is a valuation of property based on real estate prices in any given community. So if your assessment jumps, it probably means that the value of your house has jumped and your net worth is a good chunk more than it was last year, which is okay up to a point: if you're still working, still building net worth, still in the game. But if you're not, if you're retired, on disability, or on fixed income of any sort, an increase in your real estate value is only of any use to you if you sell your home.

Mr. Speaker, I've heard from many senior constituents who feel the very real dilemma of being forced to sell their cherished home just to pay the taxes on it. That's wrong, and that's unfair to the people on fixed incomes, to inner-city neighbourhoods, to the environment because it encourages urban sprawl, and unfair to cities, which are the economic engines of this great province but do not have the authority to raise the revenue they need to sustain themselves.

We need a change in the relationship between the province and its municipalities. It's time to find a better way than market value assessment and time to stop punishing the inner cities and the residents of urban Alberta.

Thank you, Mr. Speaker.

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

Parent Link Centres

Mr. Danyluk: Thank you very much, Mr. Speaker. I'm very pleased to rise today and recognize the 20 parent link centres that are up and running across our province. Parent link centres are community planned and community based. They are centres of excellence that provide parents and families with comprehensive support in the form of four core services: parent education, early childhood development and care, family support, information and referrals.

These centres, which are funded by Alberta Children's Services, will serve approximately 5,000 children and their parents. In our rural communities family and community support services have taken the leadership in implementing the parent link centres.

I'm pleased to say that my own community and my own home constituency have responded to the parent links in a very innovative way. The community parents have created a network between St. Paul, Lac La Biche, Bonnyville, Cold Lake, and Plamondon. By sharing resources, they are able to offer all four core services across these communities that are geared for local needs. For example, in St. Paul they are offering parent education workshops by working with the Boys and Girls Club and the local daycare centre.

Parent link centres bring new programs and resources to parents living in communities right across our province. Mr. Speaker, the parent link centres are not just about building more; they are about building better. By 2007 a network of 44 centres, firmly rooted in our communities, will provide information, education, counselling,

and resources to help parents and their families raise healthy, well-adjusted children who can become great citizens of Alberta.

Thank you.

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

Air India Flight 182

Mr. Mason: Thank you, Mr. Speaker. It has been 20 years since the largest mass murder in Canadian history, 20 years since the world's second most deadly terrorist attack after only the attacks of September 11. September 11, 2001, is seared into the consciousness of every Canadian. Unfortunately, June 23, 1985, is not, yet it should be. It is the day that 329 people were killed on Air India flight 182 in a premeditated terrorist attack. A similar number of lives on another Air India flight were spared because a bomb exploded prematurely, killing two Tokyo baggage handlers.

Most of the people who were killed on Air India flight 182 were Canadians, Mr. Speaker. The terrorist attack was launched from Canadian territory, yet in the aftermath of the Air India mass murder the response of the government of Canada stands in sharp contrast to its response to events of September 11, which took place in another country. After September 11 the Canadian government pulled out all the stops to assist the U.S. government in its investigation. It adopted antiterrorist legislation which infringed on the civil liberties of Canadians, it increased border security, and it increased co-operation with American security forces, even collaborating in the deportation of Canadian citizens to third countries for interrogation under torture.

Contrast this to the bungling and inaction of the Canadian government after the Air India terrorist attack. The RCMP and CSIS investigations took years to get off the ground. Evidence was deliberately destroyed by CSIS. We still don't know why. Twenty years later justice has yet to be done.

The families, friends, and loved ones of the Air India victims deserve justice. That's why the NDP opposition supports the call for a public inquiry into this tragic event. It is unacceptable that the federal government, in particular public safety minister Anne McLennan, has rejected calls for a public inquiry. Only a public inquiry will answer crucial questions about the failure of Canadian justice in this case, including why warnings from the government of India were ignored and why critical evidence was deliberately destroyed. Most importantly, it may help ensure that such a tragedy never again befalls our fellow Canadian citizens.

Thank you.

head: **Presenting Petitions**

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

Mr. Elsalhy: Thank you, Mr. Speaker. I rise today to present a petition signed by 102 members and citizens of this province urging the government to "prohibit the importation of temporary foreign workers to work on the construction and/or maintenance of [our] oil sands" unless all efforts have been exhausted in employing Albertans and Canadians, aboriginals, unemployed youth, underemployed landed immigrants, and displaced farmers.

Thank you.

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

Mr. Taylor: Thank you, Mr. Speaker. I rise today to present a petition with 101 signatures on it from Calgary and other centres

around Alberta petitioning the Legislative Assembly to urge the government to “prohibit the importation of temporary foreign workers” until we have done everything in our power to make sure that all “Albertans and Canadians; Aboriginals; unemployed youth under 25; under-employed landed immigrants; and displaced farmers” have found jobs.

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

Mr. Backs: Thank you, Mr. Speaker. I’m presenting a petition here from good Albertans from Carstairs, High River, Chestermere, and mainly from Calgary calling on the government to “prohibit the importation of temporary foreign workers” to work on pipelines and construction in the oil sands.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I rise to table in the Legislative Assembly a petition that reads:

We the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government of Alberta to prohibit the importation of temporary foreign workers to work on the construction and/or maintenance of oil sands facilities and/or pipelines until the following groups have been accessed and/or trained: Unemployed Albertans and Canadians; Aboriginals; unemployed youth under 25; under-employed landed immigrants; and displaced farmers.

This petition is signed by 100 people from all over the province. Thank you.

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

Mr. R. Miller: Thank you, Mr. Speaker. I, too, rise to table a petition, in this particular instance 100 names of Albertans who have indicated their opposition to hiring foreign workers. I’m going to spare the members of the Assembly the preamble, but I will indicate that these various individuals are residents of Edmonton, Calgary, Airdrie, Fort McMurray, and other . . .

The Speaker: The hon. member may choose to determine his own rules for his participation in the Assembly; however, it is the rules of the Assembly that will determine the member’s participation in the Assembly.

head: 2:40

Notices of Motions

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday, April 4, I will move that written questions appearing on the Order Paper do stand and retain their places.

I’m also giving notice that on Monday, April 4, I will move that motions for returns appearing on the Order Paper do stand and retain their places with the exception of motions for returns 1 and 4.

head:

Tabling Returns and Reports

The Speaker: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Speaker. I rise to table with the House five copies of a petition I received from One Big Voice, an association dedicated to assisting seniors not only in Alberta but in

all of Canada. The association is asking both provincial and federal governments to raise the minimum ceiling on monetary allowances while not reducing CPP or disability pensions. They’re asking for programs that ensure that all seniors’ homes meet national building . . .

The Speaker: Okay, okay. Let’s table it and move on.

Mr. Ducharme: Thank you.

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

Ms Blakeman: Thank you, Mr. Speaker. This is from a constituent, Mick Beale, with concerns about the situation of highway 63, noting that another young man had died on the highway and asking for the government’s support in fixing the road.

Thank you.

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

Mr. Elsalhy: Thank you, Mr. Speaker. I am tabling three messages which I received from three people in my riding urging the government to support a full smoking ban in public places. The first one is from a family physician, Dr. Donna Manca, the second one is from another family physician, Dr. Nigel Flook, and the third one is from the executive director of the West Edmonton Business Association, Ms Karon Kosof.

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

Mr. Chase: Thank you, Mr. Speaker. I rise to present the latest letter from a University Heights constituent expressing concerns about development. To quote Patricia Muir, “this project is being rammed down our throats and for what?”

The Speaker: I think the hon. member just heard me caution the hon. Member for Bonnyville-Cold Lake. The same thing applies. Table it, and let’s move on.

Mr. Chase: Thank you.

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

Mr. R. Miller: Thank you, Mr. Speaker. I rise to table the appropriate number of copies of the *Thompson’s World Insurance News* edition of March 14, 2005, which I referred to during question period this afternoon.

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

Mr. Bonko: Thank you, Mr. Speaker. I have the appropriate number of tablings. I spoke yesterday about the deplorable conditions at the GuZoo, and these are the pictures to back up the statements then.

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

Mr. Backs: Thank you, Mr. Speaker. I’d like to rise to present five copies of five letters from government members’ ridings protesting the importation of temporary foreign workers.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Martin: Thank you, Mr. Speaker. I have two tablings. I'd like to table, first of all, copies of the communications plan from an internal Suncor document where it says that there are no shortages, that there are shortages within CLAC, that I referred to.

I'd also like to table a government of Alberta document entitled Prepared for Growth: Building Alberta's Labour Supply, which documents this government's involvement in paving the way for temporary foreign workers to come to Alberta.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I would like to table for the information of the Assembly the Fact-finding Investigation of Potential Manipulation of Electric and Natural Gas Prices. This document has been prepared by the staff of the Federal Energy Regulatory Commission. It is dated August 2002, and it's regarding Enron trading strategies.

Thank you.

head: **Projected Government Business**

The Speaker: The hon. Official Opposition House Leader.

Ms Blakeman: Thank you. Under Standing Order 7(5) I would ask the Government House Leader to please share the projected government business for the week commencing April 4.

Thank you.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. On Monday, April 4, in the evening under Government Bills and Orders for second reading at 9 p.m. we anticipate speaking to Bill 11, the Stettler Regional Water Authorization Act; Bill 12, the Victims of Crime Amendment Act; Bill 15, the Workers' Compensation Amendment Act; Bill 31, the Real Estate Amendment Act; Bill 32, the Animal Keepers Act; Bill 33, the Stray Animals Amendment Act; Bill 34, the Insurance Amendment Act; Bill 35, the Employment Pension Plans Amendment Act; time permitting, third reading of Bill 3, the City of Lloydminster Act; and Government Motion 16, which is on the Order Paper, referencing a special sitting of the Legislature with respect to the Queen's visit.

On Tuesday, April 5, in the afternoon under Government Bills and Orders for second reading Bill 26, Corporate Tax Statutes Amendment Act, 2005; Bill 31, Real Estate Amendment Act, 2005; Bill 32, Animal Keepers Act; Bill 33, Stray Animals Amendment Act, 2005; Bill 34, Insurance Amendment Act, 2005; and at 8 p.m. under Government Bills and Orders Committee of the Whole on Bill 7, Health Statutes Amendment Act, 2005; Bill 8, Personal Information Protection Amendment Act, 2005; Bill 17, Agrology Profession Act; Bill 12, Victims of Crime Amendment Act, 2005; Bill 20, Alberta Personal Income Tax Amendment Act, 2005; Bill 34, Insurance Amendment Act, 2005; Bill 1, Access to the Future Act; Bill 5, Family Law Amendment Act, 2005; and government motions as per the Order Paper. I should say that I anticipate that perhaps there will be a government motion on the Order Paper referencing the House leaders' agreement with respect to Members' Statements, and there may be a government motion with respect to other Standing Orders changes to be proposed. I will certainly provide copies of those to the opposition as soon as they're ready, and they'll go on the Order Paper when they are ready.

On Wednesday, April 6, in the afternoon under Government Bills and Orders for second reading Bill 31, Bill 32, Bill 33, Bill 34, Bill

35; third reading on Bill 3; and as per the Order Paper. Wednesday, April 6, at 8 p.m. in Committee of the Whole Bill 1, Access to the Future Act; Bill 5, Family Law Amendment Act, 2005; remaining Committee of the Whole depending on progress as per second readings on the previous two days; and government motions as per the Order Paper.

On Thursday, April 7, in the afternoon under Government Bills and Orders second reading, Committee of the Whole, and third readings as per the Order Paper depending on progress.

The Speaker: Hon. members, shortly I'm going to announce Orders of the Day. But prior to that the Lieutenant Governor will be attending to the Assembly in the next few minutes, and this will be the first opportunity for Her Majesty's representative in Alberta to do it. So remember – and I advised before – that laptops should not be in and operational when the Lieutenant Governor is here. And if I announce Orders of the Day, that means you can all bring in coffee. But may I just ask you very politely not to do that until after the Lieutenant Governor has appeared and departed.

head: **Orders of the Day**

Royal Assent

Mrs. McClellan: Mr. Speaker, His Honour the Honourable the Lieutenant Governor will now attend upon the Assembly.

[Mrs. McClellan and the Sergeant-at-Arms left the Chamber to attend the Lieutenant Governor]

[The Mace was draped]

The Speaker: Hon. members, while we await, just a couple of updates in terms of Her Majesty's visit in May. You've all been invited to attend the Assembly on that special day when Her Majesty does attend and invited to bring guests. If there's any clarification required with respect to who those guests might be, just kindly contact our office. But they're people that you choose to bring, and that's basically the ultimate decision with respect to that.

In addition to that, have a very, very safe, family-oriented Easter weekend. We'll see you back in 10 days.

[The Sergeant-at-Arms knocked on the main doors of the Chamber three times. The Assistant Sergeant-at-Arms opened the doors, and the Sergeant-at-Arms entered]

The Sergeant-at-Arms: All rise, please. Mr. Speaker, His Honour the Lieutenant Governor awaits.

The Speaker: Sergeant-at-Arms, admit His Honour the Lieutenant Governor.

The Sergeant-at-Arms: Order!

[Preceded by the Sergeant-at-Arms, His Honour the Lieutenant Governor of Alberta, Norman L. Kwong, CM, AOE, and Mrs. McClellan entered the Chamber. His Honour took his place upon the throne]

2:50

His Honour: Hon. members, please be seated.

The Speaker: May it please His Honour, the Legislative Assembly has at its present sitting passed certain bills to which and in the name of the Legislative Assembly I respectfully request Your Honour's assent.

The Clerk: Your Honour, the following are the titles of the bills to which Your Honour's assent is prayed.

- 2 Alberta Centennial Medal Act
- 21 Hotel Room Tax (Tourism Levy) Amendment Act, 2005
- 27 Appropriation (Supplementary Supply) Act, 2005
- 30 Appropriation (Interim Supply) Act, 2005

[The Lieutenant Governor indicated his assent]

The Clerk: In Her Majesty's name His Honour the Honourable the Lieutenant Governor doth assent to these bills.

The Sergeant-at-Arms: All rise, please.

[Preceded by the Sergeant-at-Arms, the Lieutenant Governor and Mrs. McClellan left the Chamber]

[The Mace was uncovered]

The Speaker: Please be seated.

head: **Government Bills and Orders**
 Second Reading
 Bill 10
 Residential Tenancies Amendment Act, 2005

The Speaker: The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Speaker. I'm pleased today to move second reading of Bill 10, the Residential Tenancies Amendment Act, 2005.

This Assembly passed the new Residential Tenancies Act in the spring of 2004, and the act came into force on November 1, 2004. Since the act was passed, stakeholders have pressed for changes to three sections, the first two amendments being, number one, a landlord terminating a tenancy due to nonpayment of rent, which is section 29, and, number two, the return of security deposits by regular mail, which is section 46. These changes were requested by the Calgary, Edmonton, Medicine Hat apartment associations.

The third amendment is a tenant terminating their tenancy due to substantial breach by the landlord, which is section 28. These changes were requested on behalf of tenants by the University of Alberta legal study program and the Boyle Street Community Services Co-op. In section 28 under the old act a landlord could terminate a tenant if the tenant committed a substantial breach. In order to create a balance, the new act also gives the tenants a similar right for termination.

The proposed section 2 amendment would clarify the conditions under which the tenants may serve notice to terminate their tenancy. It is also clarified that the landlord can only object to the notice if they have complied with the public health order or if the court says the landlord doesn't have to.

Section 29, termination by the landlord. This amendment would limit the tenant's right to object to the landlord's 14-day notice terminating their tenancy but only if the landlord's reason for terminating their lease is failing to pay rent. The rationale for this proposed change is to avoid situations where tenants object to landlord's notice even when tenants have not paid their rent.

Section 46, return of security deposits to tenants. This proposal would add regular mail to the list of delivery options available to landlords when returning security deposit cheques to tenants. Landlords indicated that requiring them to use registered mail or similar to return deposits created new administration costs for them,

which they would ultimately pass along to the tenants. On this basis neither the landlords or the tenants wanted this registered mail requirement to remain. All other deposits to be returned to tenants by regular mail reflects the common practice in other Canadian jurisdictions.

Mr. Speaker, Alberta has a very fair legislation for both landlords and tenants. With these three amendments, supported by our stakeholders, we can safely say it has one of the best pieces of legislation for residential tenancy in Canada.

Thank you very much, Mr. Speaker.

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

Mr. Elsalhy: Thank you, Mr. Speaker. I want to take this time to briefly comment on Bill 10, the Residential Tenancies Amendment Act, 2005. I probably have to start by saying that it's not easy to wade into any discussion pertaining to tenancy relationships without seeming to take sides. Usually the issues are contentious, and if you try to answer the concern of one of the parties, tenant or landlord, you seem to the other party like you're taking sides. That's where we have to be very careful.

On the one hand you have the landlords, who are businesspeople, interested in making money, most of whom are very reasonable and fairly decent and honest. It's these honest and reasonable business-people who we want to empower and recognize. You also have the tenants, on the other hand, and it's a two-way highway. It's a formula of two sides.

Not everyone owns a house or an apartment, Mr. Speaker, and more and more people are choosing to rent, be it for convenience or for the amenities offered or for whatever else, whatever the reason might be.

My colleagues would notice that I said in my introduction there: most landlords. So this indicates that we always have a few bad apples, and legislation is necessary to deal with them for the favour of protecting the tenant. There is also an equal need to enact legislation or have legislation in place to protect the interests of good, compliant tenants who may be experiencing difficulties when dealing with a particularly rough or unjust landlord.

How many cases have we heard of a situation where a good tenant was harassed by a mean landlord? I have personally heard some complaints by tenants who said that they were unjustly evicted, for example. We hear of cases where the landlord renovates the rental unit only to immediately raise the rent. I've heard of landlords confiscating or refusing to return damage deposits. We've also heard of some slumlords renting units which are in terrible shape. They're dirty. They're dark. They don't provide a healthy environment in which one could live or raise a family.

3:00

Some people are forced to agree to live in such substandard conditions because that's probably all they can afford. They take the abuse. They fall victim to crime, violence, and disease. If we're talking poverty or if we're talking people being less advantaged, maybe the bigger picture would involve a broader discussion on the minimum wage or welfare payments, generally the social safety nets, but perhaps today is not the day for such a discussion. I'm aware of my time constraints.

However, we should probably also in fairness touch on the other side of that coin: the deadbeat tenants. You know, how many times have we heard of landlords wanting to evict certain tenants who pose problems, who never pay on time or don't pay at all? They just harass and aggravate these good landlords, and they make their lives harder and miserable. They're loud. Maybe they don't take good care of their rental units, et cetera.

So, really, I think that what I'm suggesting here is that although this Bill 10 may be a good first step – and I'm really thinking about supporting it; it's a good step in protecting both the tenant and landlord – more discussion is needed to determine the factors or the causes of why tenants and landlords run into problems in the first place, why they're met with difficulty.

There is also the angle which I think was missed not only in this act, but I think it was missed over and over. By that I mean the mediation or intervention between a landlord and a tenant. Now, I myself being an MLA have intervened at least twice over the past two or three months to facilitate and encourage compliance by the two tenants whom I spoke to while also urging the landlords to show some empathy and patience. Both situations involved tenants who were having difficulty paying, and I think it was mainly after the Christmas holiday season. They were low-income people, and they just couldn't pay their rent. They were served with an eviction notice. The people were just desperate, so they approached their MLA, and I picked up the phone and spoke to both landlords. Although the official answer was, "No. The notice was served, and we can't do anything," unofficially they showed some empathy, and they extended the grace period by 10 days or two weeks, if I remember correctly, and the situations were both resolved. Both tenants continued to be tenants, and the landlords are happy because they got their money.

Now, I'm proud to say that. You know, I'm very happy to have been successful, but this is not really the job of an MLA. An MLA should not be mediating in residential tenancy disputes. There should be a board or a committee mandated to mediate and intervene so that tenants and landlords will not resort to using the legal system unnecessarily. The government has a responsibility and a role to step in, I think, and rectify this.

We have to protect good tenants from bad landlords just as much as we have to protect good landlords from bad tenants. I am encouraged to learn that these amendments were proposed after consulting with the landlord associations and the tenant representatives in Edmonton, Calgary, and Medicine Hat. This is actually a positive and healthy sign.

I think that I would close by saying that I support this bill. I reiterate my position with regard to mediation and intervention, and I urge the government to consider putting this into the regulations if it's not in the act itself and allow people to resolve their differences peacefully without resorting to the legal system. Again, maybe to emphasize that anything we do here under this dome, be it for this particular act or for anything else that we discuss, it has to be clearly and promptly communicated to the affected parties. It's good that we consulted with the landlord associations and some tenants' representatives, but everybody needs to know so that the landlords will understand their duties and their responsibilities, and then the tenants would understand their entitlements and their rights. So I support this bill, and I would urge the government to consider my recommendations.

Thank you.

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

Mr. Bonko: Thank you, Mr. Speaker. When looking at Bill 10, Residential Tenancies Amendment Act, 2005, I'm prompted to think about my own experiences when I rented, and I'm sure most of us have rented at least one time in our lives. I wouldn't know what was allowed and what one could get away with; for example, the use of water for lawns and/or trees. The place should be provided with that, but should that be tacked onto the utility bill as well as the power for the washer and dryer? One could state that because the

property looked so nice, it might have created the urge to apply and rent. So does this again justify the cost that one would pay with that being wrapped into the rent?

Now, with this bill a person could object and file with 14 days' notice, which would give a little bit of a level playing field to the tenant, in fact, if they don't feel that the landlord is realistic. In several high-profile cases within Edmonton and surrounding areas there have been such examples of that, but I won't name them though. I'm sure we all recognize which ones they are.

One question I do have in mind is the change in the way that the deposit cheques are returned. Now, landlords currently are required to be certified cheque or registered mail. I'm asked: why the change? I was given a preamble by the hon. member. One reason was because it's costing too much to send these out. One would ask how many people come and go in a year that the landlord would balk at the cost and perhaps prompt this change. What kinds of conditions exist that there is this kind of constant turnover? I'm not a tax expert, but I'm sure that this would come under the operating costs of a business that one could apply at the year-end for a tax return for the landlord or the owner. I'm not suggesting in any way that the mail would not get there, but through registered mail there is a guarantee with the signature, therefore eliminating perhaps a dispute in receiving the deposit. Or, you know, "It's in the mail." How many times have people heard that line, that the cheque is in the mail? This is just an amendment, but it could allow for this concern to be raised. Right now I'm just speaking on this concern, and I've raised this for consideration.

Overall, I think the bill does have some merit, and I would support it as I do feel that it does have balance between the two parties.

One could also argue for change with regard to when the deposit does not meet the amount of required repairs that are left from a neglectful tenant. There could in fact be something where the tenant and the landlord have to be brought back to the table to figure out and find resolve with regard to the outstanding damage. They could in fact have some sort of remediation with regard to this in the bill. Overall, like I said, I think it does strike a balance between the two parties, Mr. Speaker.

Thank you.

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

Mr. Eggen: Thank you, Mr. Speaker. I rise to speak on Bill 10 this afternoon with sort of mixed feelings. While it does have some aspects of the landlord tenancy act that are long overdue in terms of concerns that both landlords and tenants have had over the years, at the same time there are a couple of pieces of this potential legislation which I have difficulty with. First off, the provision for tenants to be able to move out based on the Public Health Act standards within seven days, I think it says, is definitely a positive.

You know, we have a wide variety of literally thousands of different rental accommodations available in Alberta, and there are just a real wide variety of standards that both are given to tenants and that are laid out to the landlords. So having sort of an independent standard from the Public Health Act really will assist, I think, people to even realize what they are entitled to have through their rental agreement.

3:10

I know from my own renting experience through the years and then also through working in my constituency that there are just some literally appalling – appalling – places that are rented out here in the city of Edmonton. For a lot of people they just don't know, for one thing, what the standards might be for them to be able to rent.

[Mr. Shariff in the chair]

A second problem for people in marginal rental circumstances is that they literally don't have any other place to go. You know, they get stuck in a place where the landlord knows pretty much that they're not providing the minimum standards for human habitation. At the same time, they also know that the tenants that they have enlisted for their properties really don't have much choice for whatever reason. There's maybe a shortage of low-rental accommodation available to them, or perhaps they've had some difficulties in the past with rentals. Whatever the reason, there are just literally hundreds of people living in this situation.

I'm hoping that this amendment act can reach out further and provide minimum standards that the renters can recognize from landlords and for those people to fix those places up and still allow the tenants to have a place to stay. This is the big problem that I'm seeing in many cases with low-rental units. I think it should be addressed here, but it's not being necessarily.

On that same topic, I would like to just also mention that, you know, the shortage of affordable housing in our large urban centres and other centres across this province is becoming an increasing problem. We see an acute shortage in Fort McMurray; in both of our larger urban centres, Edmonton and Calgary; Red Deer; Lethbridge to some extent; Lloydminster; and other places. Without being able to provide adequate places for our citizens to live in, I think that we're just leading the way to a whole host of other problems that we will have to deal with as a province down the road.

To have adequate shelter for a human being to live in I think is a basic human right, and it's a right that extends to all of the other sort of rights and needs for human beings to live a good and decent life. By shortchanging the opportunity to have decent habitation in low-income units for our citizens in Alberta, we are simply going to have to pay down the road, Mr. Speaker. Health concerns, health problems that are associated with inadequate housing include, you know, lung problems, catching colds, bedbugs, and all of these sorts of things, respiratory problems, and we end up paying. We think that perhaps we're saving money by not providing low-rental units in this province, but in fact down the road we all end up paying much, much more.

Specific to this bill, another aspect of it that I have difficulties with is changing the amount of time that it takes – if a tenant is not paying their rent, they're only given 14 days after which they can be evicted. Now, currently I believe that the law allows for the tenant to write a letter explaining extraordinary circumstances that might delay the payment of rent to the landlord, if I'm reading this correctly, and I would like clarification on this, if I may, from the hon. member supporting this bill. Is this an arbitrary sort of thing that's set in stone, and is there any other way, then, that a tenant can look for some appeal process if they're going to be potentially evicted from their property if they're not paying their rent after the 14 days?

I think that we can all think of a myriad of circumstances that would cause people to perhaps not be able to pay their rent, loss of a job or other extenuating circumstances, and 14 days just seems rather short to sort of have other means of income or social assistance or whatever to kick in to bridge the gap, let's say, if someone loses their job.

We have to remember at the end of the day that we have a fundamental responsibility for each human being in this province to have a decent place to live, and if circumstances are that someone is renting and they might lose their income for a period of time, it's important that we show compassion and realize that these circumstances do exist for some people and that they're able to have decent

accommodation for a period of time. The present legislation, in allowing someone to write a letter, I think is appropriate. It acts as an appeal process, and I would like to see further clarification in regard to this bill.

Finally, I think that, you know, people who engage in the business of being a landlord are in a special sort of business. They have to remember that they're not selling pizzas; they're not renting plots somewhere for people to rent for business. They are providing a place for human beings to live their lives. We have to have special circumstances in those regards, and the people who enter into landlord contracts have to realize that right from the beginning. This is the place, here in this Legislature, where we can make that crystal clear, that each Albertan's right to a place to live is sacrosanct.

Thank you.

The Acting Speaker: Standing Order 29(2)(a). Any questions for the hon. Member for Edmonton-Calder?

Hon. Member for Edmonton-Ellerslie, you've been recognized to participate in the debate.

Mr. Agnihotri: Thank you, Mr. Speaker, for giving me the opportunity to speak to Bill 10, Residential Tenancies Amendment Act, 2005. The main object of this amendment act is to allow landlords to deliver the security deposit by regular mail, to allow tenants to move out if a landlord doesn't comply with the Public Health Act standards, and to streamline the process for landlords to evict tenants who don't pay rent. The Residential Tenancies Act was passed in 2004 and came into force last November. The changes are the first to be requested by tenants and landlords.

The government says that it consulted with the Calgary Apartment Association, the Edmonton Apartment Association, and the Medicine Hat landlord association for landlord feedback, and the Boyle Street Co-op and the Calgary low-income tenants association for the tenants' perspective. Both sides agreed on these amendments, they said. The University of Alberta legal studies program also helped with the amendments.

Mr. Speaker, Alberta Liberals always believe in protecting the rights of both tenants and landlords. This bill allows landlords to object to a tenant's 14 days' notice of tenancy termination, making it ineffective if the landlord has complied with the public health order or been granted a stay of the order. This bill also retains the tenant's right to object to a landlord's 14 days' notice of termination unless the breach is nonpayment of rent.

This bill also allows landlords to return the tenant's security deposit by regular mail, not just certified or registered as before.

This act will change the wording of the section regarding the tenant's 14 days' notice to terminate tenancy based on the landlord's failure to comply with an order under the Public Health Act. Now it requires the landlord to serve the tenant with a written objection within seven days on the grounds that the landlord has complied or been granted a stay of the order or has complied or received a stay at the time of serving notice. The landlord's notice to terminate the tenancy is rendered ineffective if the tenant serves the landlord or pays the rent. Nothing in this act affects any notice given under the Residential Tenancies Act before this act comes into force.

I personally believe that tenants require certainty before relocating. If the landlord objects at the last minute, the tenants may have already committed to another residence, paid a security deposit and some moving expenses too.

3:20

The proposals also encourage landlords to communicate with tenants about public health orders and efforts to remedy them. The

proposed amendments would provide landlords an opportunity to object without placing undue hardship on tenants. Perhaps a booklet of guidelines could be given at the time of the rental agreement, therefore setting the record straight between the two parties.

Mr. Speaker, I think this bill strikes a balance between the rights of landlords and tenants, so I fully support this bill. Thank you very much.

The Acting Speaker: Standing Order 29(2)(a). Any questions?

There being none, the chair recognizes Edmonton-Manning.

Mr. Backs: Thank you, Mr. Speaker. I'm pleased to rise to speak on Bill 10. Landlord and tenant issues are things that cross my constituency office's threshold only second to maintenance enforcement issues. The Member for Edmonton-McClung said that he had two issues he had to resolve. He's lucky that he's had so few. I've had many more.

Quite often they come from landlords with problems with deadbeat tenants and how to deal with the legislation. Many Albertans have worked hard over recent years, maybe bought an apartment and are looking to find ways to deal with the issues that arise from them. They generally have ways to do so. There have also been a number of cases of people coming and asking about problems they have as tenants and with difficult landlords.

Just a comment before that though. One of the major complaints I get from time to time is from people who have moved from Fort McMurray because of the great increase in rents. Some places have gone 100 per cent or more in terms of increases in the last six to seven years, and many tradesmen, many skilled people have moved out of there in order to get away from those high, high costs. It's a problem in getting skilled labour for Fort McMurray. It's one of the disconnects we have in that region.

One particular case – and I won't name names – here in Edmonton was somebody with a similar problem. It was in my constituency. They had their rent increased by 50 per cent in order for what seemed to be the owner's interest in selling the property. There is provision in the act for dealing with condo-ization and what happens with that and protecting the interests of the tenant in that, but it doesn't deal with condos that are already condo-ized but rented out by owners, and then they want to sell them and perhaps improve them in order to make the sale.

This particular issue was resolved by the person going to the media. With some help from some service clubs in the area in getting her moved and some other landlords in the area that offered her decent accommodation at a good price, the issue was resolved. But it did not deal with the problem of using huge increases as a way to jump somebody out of their home. I think that a mediation service or something that somebody could go through, as mentioned or advised by the Member for Edmonton-McClung, would be a good thing to look at in any future amendments to this law.

Another thing. You know, there are some irresponsible landlords. I had one particular case where the individual had come to Edmonton some years ago, come into a very – I don't know if you'd call it cheap – inexpensive apartment dwelling and working for minimum wage, having a very difficult time, a single mother. She was proud to ensure that she was working and making her own income and making her way in life. She managed to save some money to buy some new lino for her floor and to paint the walls, and the landlord increased her rent because he said it was a better place then.

She came to my constituency office on a night that was 40 below complaining that the landlord had cut off her car plug-in electricity because it was too expensive. I said, "Well, go to the landlord and

tenants; is it in your contract?" da, da, da. She said she had, and she said it was very difficult to complain because this particular landlord just wouldn't do things.

She also related a litany of problems with the particular landlord. She asked: can they come into the apartment? I said, "Well, only in emergency processes; the act outlines it," and all the rest of it. She said this landlord and his sons were using her bathroom. I said: "They're using your bathroom? That seems a little odd." She said it was costing her a lot in toilet paper, and she was not very well-to-do. She said she'd even managed to go to a pawnshop and get a cheap security camera and hooked it up, and they broke it on her. You know, they had a key for things.

She said she went to the police, and the police said that they did not have the time to adequately deal with this type of a case. It wasn't serious, and it's for her to deal with. She said it was very difficult for her to actually make complaints and let it be known to the landlord in that way because the landlord's sons were involved in the drug trade and could be violent sometimes. This is one of the problems that sometimes people in very low rental accommodations run into with the people that they're dealing with. No way for that person with low income, low power to deal with a problem. They're afraid to go to the media even because they're afraid of what might happen because of the activities of the landlord's family, and the police said they couldn't really deal with it. Somehow these people are lost in the system.

My best advice to that person was to cut her losses and leave, just for the good of her children. But I believe that there should be at least some mediation, some other process in landlord and tenant issues, understanding, of course, that as the other members have quite rightly said, most landlords are very responsible, most tenants are very responsible, and for the greatest part of the system it works. It's just those few situations where it doesn't that we run into problems, and there is no way out for these people.

That's all I have to say, Mr. Speaker. I support this bill.

The Acting Speaker: Standing Order 29(2)(a). Any questions for the hon. member?

There being none, the chair recognizes the Member for Cardston-Taber-Warner.

Mr. Hinman: Thank you, Mr. Speaker. I just have a few short comments to make on it. One, I too am generally in favour of this bill and think that it's important that we get a fairer system. There are definitely some inequities when it comes to renting, and it seems like the renter often is on the short side.

I guess the one comment I have to make is that in section 28(1) it talks about if "the landlord commits a substantial breach of the residential tenancy agreement" or if public health has basically closed it down. I still have to wonder why a person would have to give seven days' notice. I think it's an improvement to go from 14 to seven, but when they're in such a bad situation, I think they should be able to leave and go there when they've got that.

The other one that I'm somewhat concerned about is the registered letter. I realize it costs some extra money and a few other things, but it's just important. As our mail system is, letters don't always show up, and I like the idea of having to sign at both ends, knowing that the letter was in fact received, and then the question isn't there. To me it just adds one more thing that they can argue about, go to the courts saying: "Well, I didn't receive it. It wasn't there." I think that perhaps we should consider putting back in the registered letter. I know it's an extra cost, but it does put some finality on it. You understand that it did get sent and it did get received. I'd like them

to consider that amendment, the registered part. I think it's not maybe the best way to go to just send by regular mail.

Thank you.

3:30

The Acting Speaker: Standing Order 29(2)(a). Any questions?

There being none, the chair recognizes the hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. Well, like the Member for Edmonton-Manning I, too, end up dealing with a lot of rental issues coming from both landlords and tenants, but I have to say that the pendulum swings more to the side of the tenants. I tend to get more concerns being raised or more requests for help coming from tenants than I do from landlords.

I can speak from personal experience, having been both a tenant and for a short while a landlord. You certainly have to understand from the beginning that it is a contract between private parties in which each is agreeing to abide by certain provisions that are set out, but because it's involving housing, we have the government get involved to make sure that things are fair and that there is a reasonable amount of notice that's given to both sides.

You know, there are three areas that the Human Rights Commission gets involved in around discrimination: housing, employment, and access to government services. Those are the areas where if something has been prohibited as a grounds for discrimination, it's specifically prohibited as a grounds for discrimination in those three areas. We recognize that housing is integral in this society, especially in a northern climate. You can't not have housing here.

Having said that, we know that we're still dealing with an enormous housing problem in this province and in the city. I think from the last homeless count it was identified that we're now in need of some 6,000 units of housing, affordable or subsidized or even shelter spaces and transitional spaces in the province, and every year that we don't create those spaces, there are more spaces that need to be added to that number. The first time I did the homelessness survey, in 2003, I think, or 2002, we needed, like, 5,000 spaces, and now we're up to 6,000 and still counting. So we recognize as legislators in this government that it is something that needs consumer protection involved both for the landlord and for the tenant.

I argued very strongly last time and, in fact, was successful in getting an amendment through that essentially came down on the side of the landlord. I was arguing that if we wanted to get away from the adversarial system that we had set up for dispute resolution between landlords and tenants, we had to give people more time to work things out. I'm pleased to see that there has been no negative reaction to that amendment because it is noted, I think, in the comments from the sponsoring member that the changes that are proposed in Bill 10, the Residential Tenancies Amendment Act, 2005, are what we see before us today.

Those are around adding the reasonable grounds, that the "tenant believes on reasonable grounds" that the landlord has failed to comply with a public health order, and changing the notice to terminate "within 7 days from [when] the landlord receives the notice, the landlord serves the tenant with a notice in writing objecting to the termination," et cetera, et cetera, and noting that the failure to pay the rent is not accepted as a reason for objecting.

You know, I've just come through the season of door-knocking, Mr. Speaker, and I have to admit that sometimes I find some of the landlords a little draconian in the way they deal with things. I mean, on the day that the rent is due, if you're going through some of these apartment buildings, the "you're evicted" sticker goes on the door at five minutes after 12. You're looking down the hall and the whole

hallway is papered. They actually stick the notice right to the people's doors, and you think: Okay, well, that was a bit dramatic.

But having been on the other side of it, where I'm trying to collect rent from a tenant who always seems to have another excuse day after day after day, and eventually it's me and my family that are out the money because we're having expenses, I have a bit better understanding of why the landlords move so quickly now to use every available protective device for them in the Residential Tenancies Act. I have a better understanding of that now.

On the other hand, generally speaking – and this is a very general statement – often those that are in a rental situation do not have the wherewithal to be able to purchase if they wanted to. So you may well be dealing with people who have a lower income or are struggling financially. Those people are often left with very few options when things go wrong for them, so they really need the protection that's available to them in the act.

The Member for Edmonton-Manning had outlined a number of scenarios that he'd already dealt with in his office, and all of them sound familiar to me, especially the ones around public health where, you know, a good tenant has moved in, things don't go well for them, they've got the landlord coming into the premises when they shouldn't, the place is filled with bugs and creepy-crawly things, the public health units have been alerted, and now the tenant has got to find additional money to help them move again. Worse than that, they've probably got creepy-crawlies in the rest of their furniture and in their clothing and everything else, and that costs them money to get rid of that, and they didn't have a lot of money to begin with. So they're literally out of pocket because they rented in that particular place. Those are often the times when they can't get their damage deposit back either.

What I'm trying to say, Mr. Speaker, is that we really need to strive to achieve a balance of protections for both the landlord and for the tenant when we look at the Residential Tenancies Act and anything covering that. Particularly, we have to be sure we're doing that around any kind of subsidized housing.

I have a couple of different kinds of subsidized housing in my constituency. We have the Greater Edmonton Foundation working in partnership, which is provincial money and some municipal and nonprofit management, to subsidize housing mostly for seniors but in some cases for citizens who are not seniors in entire units of subsidized housing. They're paying 30 per cent of their income for the rent, and again that's not covering the phones or the cable TV in those places, which I would argue should be included because in a lot of cases with seniors a telephone is not a frill. It's a necessity, especially if they have to be able to order prescriptions or food and have it delivered. If they have one of those MedicAlert alarms that works through the phone system, they have to have a phone system to make it work. So I would argue that we need to be looking at what we include in that subsidized rate a bit differently. But I digress, Mr. Speaker.

I also have the Capital Region Housing, which of course all of us have access to, which is subsidized housing for lower income individuals and where either there are entire buildings that are subsidized or social housing. But often they will sign contracts with landlords who will allow, you know – whatever – 10 per cent of the units in a given apartment building or five apartments in a high-rise apartment building are subsidized, and the rest are not. You've got to have both the apartment subsidized and the individual approved for subsidy, have those two things go together. If the individual leaves that apartment, they may not necessarily get another subsidized apartment.

We need to be careful that we are protecting those people, particularly when we're looking at very low vacancy rates. The Member for Edmonton-Manning referenced the situation in Fort

McMurray where people are – I know this is hard to believe – leaving that city, even though they've got good jobs, because they can't find housing options. My brothers, who are in the trades, and their families have lived for years in Edmonton, and they do the old up on Sunday, back on Friday night. And they've done years of that. It's not an ideal lifestyle, but at least they have a good home here. But they are separated from their families for long periods of time.

3:40

So the act is looking to change just a few things. The security deposits being delivered by regular mail: it doesn't take away the option of using registered or certified mail. It just adds regular mail as a possible option. I know that the Member for Cardston-Taber-Warner was arguing that the registered mail should be kept. Well, it can be if people still want to do that, but they can use the regular mail.

I'm pleased to see the section that's allowing tenants to move out if the landlord doesn't comply with the Public Health Act standards because that's going to help my tenants. I have certainly dealt with cases where that's what's happened to them, and now they're out the money for the rent, they're out the money for the damage deposit, and as I described, they're looking at paying more money for moving costs and another damage deposit, and they can't disentangle themselves from the current situation. So I'm pleased to see that assistance being offered to tenants.

I'm also sympathetic and supportive of the process to streamline for the landlords to evict tenants who don't pay. You know, I did argue very strongly that we should try and make the system less adversarial if we really mean it when we say that we want people to work this stuff out themselves and have less of everybody rushing to lawyers or rushing to small claims court to have this dealt with. That's true; we need to give people the methods by which they can resolve that.

We want to encourage more reasonably priced rental accommodation, and often that comes from individuals renting a floor of their house or even owning a small apartment building. I've got a lot of those three-floor walk-ups. You know, they've got four apartments on each of three floors, 12 apartments in all. We want to preserve that kind of housing stock and even encourage more of that housing stock, and that's very difficult to do when you've got landlords who feel that they keep getting shortchanged by tenants who aren't paying the rent. They need to be able to move faster on evicting them for nonpayment. I'm supportive of that. That is the contract. That is the deal between the two of them. The tenant gets a place to live that they should be able to call their own, and in exchange the landlord gets the cash. If the person is not paying the rent, that places a hardship on the landlord.

I'm more concerned, especially in the cities, that we continue to have less expensive rental accommodation available, and that is about the small apartments, that is about apartments and suites in houses, especially in the inner city. That's where a lot of our accommodation is available, and you're dealing with small proprietors then. You're dealing with individuals in many cases, and I don't want to discourage people from making this kind of rental accommodation available. That's what I'm trying to say. It is discouraging to them if they end up getting ripped off a couple of times. They're going to withdraw from the housing market, and I don't want to see that happen. So in this case I think this is a good idea.

All in all, the member has obviously identified what the pressing issues were with this legislation. Somewhere I read that the government had consulted with a variety of apartment associations

in Edmonton and Calgary and Medicine Hat and some of the low-income organizations in Edmonton and Calgary like the Boyle Street Co-op.

I think these look like reasonable amendments. I think we need to continue as legislators to be vigilant in ensuring that it is a fair playing field for both sides of this arrangement, and I think that we particularly need to look to ensuring that we have enough housing stock for people. In particular, Mr. Speaker, I'm going to plead the case for transitional housing, whether that is bridge housing for those with addictions that are moving from treatment centres back into the regular working, living world or women's shelters.

Thank you very much, Mr. Speaker.

The Acting Speaker: Standing Order 29(2)(a): any questions?

Does anybody else wish to participate in the debate?

The hon. Member for West Yellowhead to close debate.

Mr. Strang: Thank you very much, Mr. Speaker. I'm certainly pleased with all the questions that were answered. But I guess I'd like to bring to everybody's attention, number one, that there was a full consultation with all the residents and tenants and landlords in the spring of 2004, and of course when it came into effect on March 1, 2004, there were some of these items, as I explained earlier, that really were what they wanted to do. So it was a give-and-take on both sides. I think what we've got arranged now makes it good because everybody was working together.

Just one comment on the registered mail for return of deposits. I guess they both agreed, number one, that it would cost more for the landlords, and somebody has to pay for that, and the tenants didn't want to pay for that.

In closing, I would like to thank the Member for Edmonton-McClung for being the critic for Government Services and coming down to discuss this. I think it's very helpful for both sides.

At this time I'd move second reading. Thank you.

[Motion carried; Bill 10 read a second time]

Bill 28

Municipal Government Amendment Act, 2005

[Debate adjourned March 22: Ms Blakeman speaking]

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

Ms Blakeman: Thank you, Mr. Speaker. I had begun my second reading debate on Bill 28 the other day and didn't mark my notes, and I apologize if I repeat slightly, but I don't think it will be by too much. I'm very interested to speak in second reading to Bill 28, the Municipal Government Amendment Act, 2005, although I will note that I think I have spoken to an amending act for the Municipal Government Act every year since I got elected – or at least that's what it feels like – which I hope is a positive sign that we are continuing to fine-tune the relationship between the province and the municipalities.

Sometimes I worry that there's not enough communication between the government and the municipalities, particularly the metropolitan municipalities of Edmonton and Calgary. I think what we're really needing to look for here is a redefined relationship, perhaps a constitutionally redefined relationship, between the province and the municipalities in this province. It is not an equitable relationship at this point, and it does not recognize the current realities of the size and the economic power of those two large cities. I should also include cities like Grande Prairie, Medicine Hat, Red Deer, and Fort McMurray. They are in their own regions becoming just as much of a driving force.

We now have 80 per cent of the population of Alberta living in a city, and 20 per cent are rural. We have completely reversed those designations over the last 25 or 30 years. Eighty per cent of our population now lives in what's classified as an urban centre. So to have that constitutionally entrenched relationship where the municipalities are viewed as the children of the province is inappropriate in this year of 2005. I've now gone through two campaigns where my party has very clearly stated the need for a redefined, renegotiated relationship between the provincial government and the municipalities.

3:50

One of the places that is most obvious for inequities is around the economic realities, the taxation base, the amount of funding that is available for the cities to do the work that they are assigned or delegated to do. There are two parts to that. One is that there has been a great deal of delegation – whether it was appropriate or not I will leave to another discussion – from the province to the municipalities to carry out various programs and services that used to be not only paid for but also administered by the province. Those were delegated to the municipalities, I would argue, most times without the complete amount of funding that was needed to provide the program or service. So then we have the situation – oh, I did remember saying this before – where we've got, particularly, nonprofit agencies that have accepted some of the services out fundraising to deliver a program or service that the province used to do, which is a lot.

But the relationship between the municipalities and the province is a very unequal one for funding. One of the places that this shows up the most is in the taxes because the cities really have to rely primarily on property taxes. The provincial government and the federal government actually both have a number of other sources. So part of the ongoing requests for consideration coming from the municipalities has been: "Give us other tools by which we can raise money because we're kind of stuck. We've got property tax that we can raise money on but no other way." Frankly, some of the other cities in the world are looking at things like a civic sales tax. I don't know if that's being considered here in Alberta, but I know that other cities in the world are looking at it.

There are other drivers there that need to be considered, or we will continue to create a situation that, I think, eventually our municipalities, particularly the metropolitan ones, will just say, "That's enough; we're getting a raw deal here," and do something like declare themselves not city states but – I'm not going to remember the term. I'll have to come back to it. I'm sorry, Mr. Speaker. They started to do it, I think, in the U.S. and Australia as well, where they're incorporating themselves with a legal definition that makes them a different kind of entity than what they are now. I'll try and find the definition and come back to it.

The Acting Speaker: Standing Order 29(2)(a). Any questions?

Ms Blakeman: Was that 15 minutes?

The Acting Speaker: You had six minutes left, Madam.

Anybody else wish to participate in the debate? The hon. Member for Edmonton-Meadowlark.

Mr. Tougas: Thank you, Mr. Speaker. I just have a few brief comments about Bill 28. I know the planes are on the tarmac ready to go and everybody wants to hit the road for the long weekend.

Mrs. McClellan: Some of the tires are on the Corvette too.

Mr. Tougas: Ah, very good. I don't have a Corvette.

Mr. Speaker, overall I'd have to say that anything that gives municipalities these days the additional tools to raise revenue is something that we can all get behind on this side of the Legislature. The fact is that most Albertans live in cities, and cities are under tremendous financial constraints these days despite the fact that the provincial government is awash in excess money. It's my understanding that the Alberta Urban Municipalities Association and the Alberta association of rural districts and counties are both supportive of the provisions in this bill. And why shouldn't they be? For years now the urban and rural share of the provincial tax pie has been shrinking, forcing the local governments to look for new ways to raise revenue.

The government is very fond of saying that in Alberta the only way that taxes go is down, which is not entirely true if you live in Edmonton or Calgary or Red Deer or Lethbridge or Medicine Hat or just about any of the municipalities in the province where city taxes have to keep going up all the time. Municipalities do need some new tools to create new revenue sources that go beyond the traditional methods of property taxes and user fees.

I see that there is something called the "community aggregate payment levy." As a city slicker I have no idea what that's all about. It does appear to be almost a levy on nuisance businesses, which is kind of interesting. So I wonder if you could apply that to the 7-Eleven and all the garbage that they leave behind, but that's for another debate altogether.

[Ms Haley in the chair]

Certainly, the most interesting of all these plans is the community revitalization levy. There are some concerns about it, however. As I understand it, this levy would allow for a property tax freeze for 20 years to encourage revitalization of the area. Now, the problem that most certainly will come up is literally: where do you draw the line? You could have one street with a property tax freeze while perhaps a block or two away the residents there would face their usual annual tax hike. Then again there is the question of a tax freeze, which some see as the equivalent of a subsidy for a developer. Also, there is the continuing problem of if an area is revitalized, then where do the poor people who were living in that area go? I think this is called gentrification. How things change. I guess there's not much you can do about that, but it is a concern.

Overall, Madam Speaker, the plan seems to allow for manageable debt and sensible repayment. In general, it appears to be an innovative plan, at least – I'm sorry; what is this one called again? – the community revitalization levy. It seems to be an innovative plan that could, if used properly, revitalize some decaying neighbourhoods. While the province of course has to sign off on any business plan, the onus falls on the local governments to make sure that the community revitalization levy is applied properly.

In conclusion, Madam Speaker, I encourage the government to continue to explore innovative ways for municipalities to raise revenue, especially since the government appears to have abrogated its duties to Alberta's municipalities.

Thank you.

The Acting Speaker: Thank you.

Under Standing Order 29 are there any questions or comments? You have a question?

Mr. Flaherty: No. I was going to speak to the bill.

The Acting Speaker: Okay. I just wanted to cover Standing Order 29, if there were any questions or comments on his speech.

If not, would the hon. member please go ahead.

Mr. Flaherty: Yes. Madam Speaker, we're talking about Bill 28 here, I believe. The question of property tax in St. Albert, Madam Speaker, is a very big concern for us because of our senior population. We're praying every day that the government will give us more money for our megaplex and also for our highway 2 designation because right now I believe our taxes are around the 13 per cent. So I'm hoping that the whole question of property tax can be looked at here in terms of the education tax on seniors because we're certainly finding that many seniors in my constituency are having difficulty existing with the high tax rate. Therefore, we hope the government will look at the tax aspect to give our seniors some relief.

The other question I'd like to bring to your attention is the question of infrastructure. This was – and I don't want to be disrespectful – a very big, contentious item in our constituency during the election. Dr. Gibbins spoke to the Chamber of Commerce. I was lucky enough to sit on the panel, and I noticed that the main candidate was not in attendance this day, and I don't know why.

Dr. Gibbins pointed out that across the province of Alberta we have an \$11 billion infrastructure problem. I hope that the government will look at his study because it does talk about relief for this in terms of how it can help the constituencies across the province, the towns and municipalities. He has a suggestion that we look at the Manitoba plan. The Manitoba plan I believe talks about taking a percentage of the gas tax off, 2 to 3 per cent, and helping us with the infrastructure problem with a 10-year plan. It's been very successful. If I'm not mistaken, they're in their third year with this plan. So I'm really saying that I hope the government will look at Dr. Gibbins' suggestion and utilize that to take a look at the relief of the infrastructure problem across the province.

4:00

There is another area here, Madam Speaker, that I'd like to talk about, and that's the whole question of a community revitalization levy. It says this: the amendment will allow municipalities to retain the education property tax and the tax increment of a tax equivalent to finance as well the municipal increment currently being used. Well, community revitalization in St. Albert would mean that some of our older communities would be revitalized and help our seniors, again, stay where they are. I think it has some good possibilities, but the thing that I think would be important is that we get some relief through the seniors being considered in terms of some relief there with the education tax.

So, Madam Speaker, I know people are anxious for me to sit down in light of the holiday coming up. I think it's important, though, that we look at these suggestions, and I do appreciate you giving me the opportunity to do so this afternoon. Happy Easter to you.

The Acting Speaker: Under Standing Order 29 are there any other questions or comments with regard to what he has just said?

There being none, I recognize the Member for Edmonton-Calder.

Mr. Eggen: Thank you, Ms Speaker. It's very refreshing to have someone of the female gender up there. That's great.

I would like to make a few comments on Bill 28 here this afternoon. There seem to be some very positive changes made through Bill 28, the Municipal Government Amendment Act, 2005, and some that are in fact long overdue. The first change, it seems, ensures that commercial use is not exempt from municipal assess-

ment and taxation simply because it's located in provincial parks or recreation areas. In addition to private residences on such lands, which have already been subject to municipal taxation, this amendment will add commercial use such as ski hills, golf courses, restaurants, or stores.

The Alberta Assessors' Association found that municipalities were losing millions of dollars of property tax revenue due to their inability to assess commercial uses in provincial parks and recreation areas. Not only will this amendment stem this leakage of badly needed municipal revenue, but it will also level the playing field between businesses located in provincial parks and recreation areas and businesses not located on provincial lands.

The second amendment on Bill 28 creates a provincial registry for so-called linear properties. Linear properties such as power lines, pipelines, and telecommunication cables often cross municipal jurisdictions. A provincial registry will make it a lot easier for municipalities to properly assess the value of linear property within their jurisdiction and tax them accordingly. Such a registry will establish greater certainty for both utility companies as well as municipal governments, and it seems like a worthwhile initiative.

The third amendment to Bill 28 establishes a new tax on gravel and sandpits based on the tonnage extracted. Called a community aggregate levy, municipal governments will be given the option of implementing such a levy to a maximum of 25 cents per tonne on the basis of that. Given the impact of gravel and sand extraction on municipal roads and other infrastructures, it seems reasonable to allow municipalities to impose such a levy to offset some of these infrastructure costs.

So all of these above amendments seem positive for the municipal governments. The one proposed Bill 28 amendment that the NDP opposition does have questions about is the proposed community revitalization levy. This levy is intended to spur redevelopment in so-called blighted districts. It would allow a municipality that invests in redevelopment in such districts to recoup the expenditure by taxing the difference between the predevelopment and postdevelopment value of the property.

Before taking a firm position on the community revitalization levy, there are a number of questions that need to be answered; for example, a municipality would have to apply and get cabinet approval to put a community revitalization levy into effect. They would have to demonstrate that there would be, in fact, an increase in property values post development in order to make it possible to recoup their investment.

There has been a considerable amount of experience with these types of levies in the United States, where it is known as a tax increment financing, or a TIF for short. The record of tax increment financing in the United States is decidedly mixed. TIFs have been successful in increasing property values. However, the impact of a higher property value is not always positive. For example, higher property values can negatively impact affordable housing in favour of higher end housing. While higher income residents gain, this can be at the cost of displacing lower income residents. These concerns are being raised by the Calgary Drop-in Centre as a possible negative impact if a community redevelopment levy is applied to the East Village development proposed in downtown Calgary.

Moreover, research on the impacts of TIFs in Chicago, Illinois, has shown that this type of levy has not led to a net increase in employment in the effected areas. Also, this type of levy tends to favour bigger, more profitable businesses at the expense of smaller, less profitable family businesses. Since a municipality's ability to recover its expenditures depends on the increment between pre and postdevelopment property values, there is an understandable concern that municipalities will favour higher end developments at the expense of such lower end developments as affordable housing.

These are the questions that require answers before the NDP opposition will be prepared to support community redevelopment levies as a municipal revenue option for Alberta municipalities.

Thanks.

The Acting Speaker: Under Standing Order 29 are there any comments or questions on the member's statement?

If not, I recognize the Member for Edmonton-Manning.

Mr. Backs: Thank you, Madam Speaker. I'm pleased to rise to speak on this bill. You know, I see that many of these areas are just an ability to let municipalities have some more tax room, and maybe that's a good thing. In reality, what this reflects is just the sheer need of municipalities to deal with the growing deficit problems that have been unloaded on them by the provincial government because of their lack of support for municipalities.

[Mr. Shariff in the chair]

You know, we see the community aggregate payment levy. It's going to be two bits a tonne, which is actually quite a bit – people don't think that's much – on gravel operators to help pay for roads that aren't being funded by the province. It's going to increase the cost of housing in new subdivisions. It's going to increase the costs of roads in rural areas and such by this levy, but in reality it's necessary because municipalities need this.

The community revitalization levy. It's an innovative and another way for communities to seek to pay for things that aren't being helped for them by the provincial government. These provisions will help municipalities encourage investment and redevelopment in specific districts that do need help. With provincial approval the municipality would maintain fixed property tax assessments for up to 20 years, limiting regular property taxes for school and municipal purposes from the area. However, as redevelopment occurs and assessed value of the property in the target area rises, a special levy would be collected on the increased property values. The revenue from this special levy would be put into a separate fund to repay the municipality for its infrastructure upgrades and its other redevelopment expenditures in the target area.

This proposal, also called tax increment financing, was brought forth by the mayor of Calgary, who wanted to employ this method to revitalize and redevelop Calgary's troubled East Village. Under the scheme the city of Calgary would borrow \$70 million to pay for infrastructure upgrades in the city's dilapidated east core. This will presumably encourage new development from which the taxes would pay the debt.

Tax increment financing has been widely used in the United States, and it has rejuvenated some of the worst neighbourhoods, particularly in Chicago. The province of Ontario is also looking at using tax increment financing to assist their municipalities with remediation costs of many brownfield properties.

4:10

This amendment is necessary because the MGA, the Municipal Government Act, has provisions in it that limit the amount of debt that municipal governments can incur. You know, I worked for a long time with Laurence Decore, and one of the great legacies for many years in the city of Edmonton was the fact that this city did have no debt. He was, I think, very innovative. The city of Edmonton won international awards for its debt policy and for its prudence in dealing with municipal financing and dealing with the growth of the city of Edmonton.

The necessity of many municipal areas to not finance because of their restrictions in financing in this area maybe has been a good

thing. Nobody likes increases in property taxes. As the Member for St. Albert especially underlined, it's a huge difficulty for many that are seniors. There were, you know, some further items raised in a member's statement by the Member for Calgary-Currie about how the tax system is pressuring seniors who are on fixed incomes, who cannot get increases in their incomes and are finding that they have to move out of their homes because of this tax pressure.

The need to I think look at some of these things is that problem of lack of support in terms of this provincial government for its municipalities. I believe that has to be increased in the near future.

I thank you, Mr. Speaker.

The Acting Speaker: Standing Order 29, any questions?

If nobody else has any questions, the chair recognizes the hon. Member for Edmonton-McClung.

Mr. Elsalhy: Thank you, Mr. Speaker. I'm not going to take much of the Assembly's time. Many of the points I wanted to raise have already been raised. I recognize the merit behind this bill, and I appreciate the fact that it's time to allow some flexibility and some autonomy for the municipal governments in this province to exercise the powers that they were elected to in making decisions locally, decisions that pertain to day-to-day activities, taxation: things that they were elected to do. Yes, maybe this is the time to try to decentralize and reduce or eliminate the power of the province over its municipalities.

Municipal governments are duly elected bodies. I don't view them as being inferior or, maybe, any less important than the provincial government, just the same way that we don't view a provincial government to be inferior or less important than the federal government. All three levels of government should ideally work together. There is one taxpayer. There is one customer or client that all three levels are catering to. So, yes, I sincerely support any measure that would allow co-operation between the three levels of government. The end result is to benefit the taxpayer, of course.

I appreciate that this bill was brought forward after consultation with the municipal associations from both urban and rural and also the Federation of Canadian Municipalities – so that adds the federal angle to it – but I should probably comment that consultation is not only with the people running the show, the people who are elected to be in council, like city councils, or the people who are MLAs sitting in the provincial Assembly, or MPs representing us federally. I think we should go to the grassroots and ask people what they think. Many people have commented on the issue with the market value assessments or the property values and property tax estimates. Many times we've heard that people do object to the estimates because they feel that they increase the value of the property on paper when in fact the property value itself did not. It actually either stayed the same or maybe even devalued with age and time.

The hon. Member for Calgary-Currie commented that market value assessments themselves have to be reassessed. Maybe we should look at a city-wide average instead of a street-by-street average. You know, maybe the house down the road from me is worth twice my house. That shouldn't mean that my house is more valuable than it is. Seniors are particularly affected, and I think we have to understand the problem, listen to them, and maybe act on it.

Also, the thing about the infrastructure debt, which was referenced many times. We do have roads which are crumbling. We have old buildings which need revamping and maintenance. We have hospitals and schools which need work. The infrastructure debt should not be delegated to the municipalities to find innovative ways to deal with it and then have the provincial government say: "Okay. It's your domain now. It's your turf. You decide what you want to charge. You decide what taxes you want to collect. We're out of

it.” Then people would look at them as the villain, or the bad guy. The province still has a paramount responsibility to support its municipalities and to come to their rescue when municipalities are having a difficult time justifying raising taxes and justifying collecting more from the taxpayer.

I’m an MLA, I’m an elected official, and I realize the difficulties faced by the municipalities. I trust that people sitting on city councils in Edmonton and Calgary and all the other major cities and even in the small towns and villages – the majority of those Reeves and mayors are responsible and decent people, and they wouldn’t just haphazardly and indiscriminately raise taxes for the fun of it. They’re faced with shortages and with deficits, and those are situations which they have to handle and deal with. They’re faced with tough decisions, but they still have to look to the provincial government for support and help. I know that maybe I shouldn’t tell them to rely too much on the government, but it’s still part of the formula, an integral part if we’re looking at this from a team approach. The provincial government is one key team player, the municipal governments are another, and then the federal government is the third one.

There’s also the thing about the community revitalization levy, which was mentioned two or three times this afternoon. The one area which I would like to comment on is that, basically, I would hate for it to be perceived or to be used as a subsidy to the developers. These people are typically well off, and they don’t need subsidies that were meant to be passed on to the end user, to the consumer or the taxpayer. A homeowner is paying \$1,200 a year for property taxes, and then we say: “Okay. We are eliminating the provincial component of your school tax levy, and it should stay with the municipal government.” It should not be passed on to the developer because, first, they don’t need it; second, it wasn’t meant to go to them. That’s maybe the homeowner in me that is speaking now, not the MLA in me.

Lastly, I think that a partnership has to be defined between the municipal governments of this province and the provincial government in that it’s not only money that we’re talking about. We need to sit at the table and say: “Okay. What are your problems? Which areas would you like us as the provincial government to intervene in? What else do you need from us?” By passing laws that just say, “Okay, it’s your responsibility now; you go and explain it to your citizens and your constituents,” doesn’t really display or portray the right image. Consultation has to continue. We might tell them: “Yes, go ahead. Charge all you want for taxes, but we’re still here when you need us.” We have to show them that.

In closing, I would emphasize that, yes, this is a good piece of legislation, but consultation has to extend to the average Albertan, not just the people in power on municipal councils. We have to explain to the end-user or the taxpayer that this is how much impact it’s going to have on you, this is how much of that tax that’s going to the provincial government, this is how much of it that’s staying in your city or your town, and this is how much of it that might be going to a developer or a landowner and provide that clarity and that information to the taxpayers so they’re at least comfortable with the amount of taxes that they’re paying.

Thank you, Mr. Speaker.

4:20

The Acting Speaker: Standing Order 29(2)(a). Any questions?

Does anybody else wish to participate in the debate? The hon. leader of the third party.

Mr. Mason: Thank you very much, Mr. Speaker. I’m pleased to rise and speak to Bill 28. I want to say from the outset that I think there are aspects of this bill which just clean up a number of things,

which clarify exemptions to municipal taxes, which create a registry for linear property, and I think that’s going to be very helpful for municipalities in particular.

Linear property, of course, is an important point of contention for municipalities. Many private companies make a great deal of money by using rights-of-way and so on in municipalities, and I think it’s important that municipalities have a clear knowledge of the linear property that exists and the various rights-of-way. This will be helpful.

The community aggregate levy is a tax on gravel and sandpits based on the tonnage that’s taken out to a maximum of 25 cents a tonne, and of course that’ll be up to the municipalities, so that’s a positive.

The one issue that’s contentious or may create a controversy in this is the community revitalization levy. This has been tried in other places. It’s been tried in the United States, in Chicago and so on, and as my colleague from Edmonton-Calder indicated, it’s had mixed results. It’s essentially an additional levy or an additional tax that’s placed on the people that own property within a fixed area within the city, and then that revenue is used to improve the area. That’s going to be a mixed blessing.

The problem that I have with respect to this, Mr. Speaker, is that the government is allowing municipalities to make the decision and then reserving to themselves, that is to the provincial government, the authority to approve or not approve any bylaws that might exist. In the review of the law that I did, there is nothing to indicate that the people to whom the levy is applied have any ability to approve it or challenge it or prevent it from happening or, in fact, conversely, to initiate it themselves. I think that that’s the weakness here. It shouldn’t be imposed on people without giving them first an opportunity to express their views, at least input, and if not outright require their approval. I think this is a weakness in this particular section.

There are pros and cons to the idea of a community development levy, but it really smacks a little bit of Big Brother here, that between the city council and the provincial cabinet they will decide whether or not areas are redeveloped and whether or not the people in there actually have to make a contribution towards that. You know, the old rallying cry of the American Revolution was no taxation without representation, and maybe it applies here, Mr. Speaker. I think this bill could be significantly democratized if it required municipal councils to get the approval of the ratepayers within the area or approval of the residents within the area that is going to have the additional levy. If it did that, it would not be nearly as controversial.

Urban redevelopment is important, and it’s important that municipalities have tools to promote it, but it’s very much a two-edged sword. The important thing is that it should be focused on the improvement of communities rather than on the improvement of property values. The two aren’t exactly synonymous, Mr. Speaker.

We have seen some cases I think in the United States where these things have been initiated primarily in the interest of outside private developers. Expenditures are made, property values increase dramatically, the profits flow to the companies, to the developers, and people are displaced from the community because they can no longer afford to live there. So it can become a real tool for gentrification, and it can in fact transform communities quite radically. To have that power without the capacity of the community to say no I think is wrong. So I would hope that we’ll be able to deal with some amendments that would make this provision more democratic and still allow that tool to be in the hands of municipalities who want to use it.

I’ve been involved for many years in attempts to revitalize communities, whether in the Alberta Avenue-Norwood area or in the

Beverly area, and it really is a struggle. In my view, Mr. Speaker, it needs to be done by the local people working with their local small-business communities, and it needs to involve everyone. The city can be a partner in it, but you should have the community directly involved in those kinds of activities so that they can have a say in the future direction of their own community.

That's a way to go, I think, that's very positive, and it can increase property values, particularly along commercial strips. It can be very positive for small businesses. It can change the nature of the community, but it does so gradually. By moving out pawnshops and second-hand stores and getting a better variety of storefront businesses in the community, it can be extremely positive, and communities welcome that. But if all of a sudden you're coming into an area and tenants have moved out because the landlords have sold their land to a developer who wants to construct condos or some commercial development, then the results can be very negative for the people in the community.

Just to come back to my main objection to this, Mr. Speaker, those kinds of changes ought not to be forced on people in a community. The people need to have some control, and this bill doesn't give it to them. That's, I think, the fatal flaw in this particular area, and if it could be corrected through amendments, I think that it would be seen as something that's beneficial for all communities. Certainly as someone who represents older inner-city communities with older business strips which need revitalization, I would be very interested in supporting a bill like that, but if it's going to be something that takes control away from people and away from communities, it's not something I can in good conscience support. That will conclude my comments.

Thank you.

The Acting Speaker: Standing Order 29(2)(a). Any questions for the hon. Member for Edmonton-Highlands-Norwood?

There being none, the chair recognizes the hon. Member for Edmonton-Decore.

Mr. Bonko: Thank you, Mr. Speaker. In speaking with regard to Bill 28, the Municipal Government Amendment Act, 2005, I think everyone recognizes the costs of doing business as a municipality. They're becoming more and more expensive, especially here in Alberta as we attract more and more people, so you have to put that infrastructure in place. We could take Fort McMurray as an example: just affordable housing. I'm not sure how this would apply with regard to Fort McMurray, to be able to designate areas, because in that particular case there are no slum areas or devalued areas. It's the opposite up in Fort McMurray. In fact, it is on fire, if I could use that term. Affordable housing, or at least being able to find affordable land – the development up there is at an unprecedented rate.

4:30

Here in the city the municipality had to borrow to be able to finance certain projects. I'm not sure if this particular bill would allow for that case, the fact that municipalities are not being supported by the government. It's costing more and more money to put certain pieces such as the ambulance authority, the fire department, as well as the police department in place. They need to be able to be supported not only by their local tax rate. I believe that. You can't continue to go to the single, only source, which was pointed out. You need to in fact be able to be supported by the government, and that is what we're talking about right now.

We had lunch the other day at the Shaw Conference Centre. It was a mac and cheese lunch. There were a number of government officials there as well as city councillors, and I find it odd that they

weren't aware of Bill 28, the Municipal Government Amendment Act, 2005. So I'm just wondering how much consultation did take place with regard to our elected officials and how much input was allowed. They were I guess caught off guard or not aware of some of the implications here which rested on them. I would just ask that all parties that were included should be at least given an opportunity to be able to have direct input there.

Those are just some of the comments that I have with regard to that, Mr. Speaker.

The Acting Speaker: Standing Order 29(2)(a). Any questions for the hon. member?

Does anybody else wish to participate in the debate?

Hon. Deputy Government House Leader, would you like to close debate on behalf of the Minister of Municipal Affairs?

[Motion carried; Bill 28 read a second time]

Bill 26

Corporate Tax Statutes Amendment Act, 2005

Mrs. McClellan: Mr. Speaker, there are a couple of areas that I'd like to just go over with members in introduction to second reading of this.

One area is the area of notices of objection. These are some notices of objection that we're proposing the industry be required to file. It's aimed to help the province stay informed of contentious issues and help forecast corporate tax revenue. It does not impose an onerous burden on industry. It simply involves that they would copy the Alberta government on the federal notice. We're not requiring a separate notice; simply a copy of the notice that they would file with the federal government.

In this bill we are proposing some steps to encourage compliance. That would be thus: if a notice is not filed with the province, any refund interest payable on the amount resulting from the reassessment would be reduced by the lesser of either 5 per cent of the interest otherwise calculated to a maximum of \$10,000. These changes would come into effect on proclamation. I would ensure that industry and related stakeholders would be informed of these changes through publications and special notices before they took effect.

The other area of, I think, primary interest in this bill is the area of assessment against non arm's-length recipients. We're proposing changes that would allow assessments against any non arm's-length individual or business that receives corporate property at less than fair market value when the corporation disposing of the property is unable to meet its provincial tax obligations.

To give you an example of a situation where this might occur: a corporation sells land worth \$10,000 for \$1,000, for example, to a company or individual not at arm's length for the purpose of reducing company assets and therefore amounts available to pay against the tax obligation it owes. This will ensure that companies do not try to avoid tax by disposing of assets improperly. If assets are disposed of at fair market value to a non arm's-length or arm's-length recipient, of course this section wouldn't apply.

Mr. Speaker, the changes that are proposed to the Alberta Corporate Tax Act and the ABC Benefits Corporation Act facilitate the smooth running and effectiveness of the tax system.

Thank you for the opportunity to provide these comments. I look forward to future debate on this bill, and at this time, Mr. Speaker, I would adjourn debate.

[Motion to adjourn debate carried]

Bill 34
Insurance Amendment Act, 2005

The Acting Speaker: The hon. Member for Peace River.

Mr. Oberle: Thank you, Mr. Speaker. I'm pleased to stand today to move second reading of Bill 34, being the Insurance Amendment Act, 2005.

During the introduction of this legislation, I outlined that the government is following through with a commitment made as part of the automobile insurance reforms that went into effect last fall. This government also said that the legislation would need to be amended to allow public insurers from neighbouring provinces to enter Alberta's competitive auto insurance market. One key point that Alberta motorists have to understand. If public auto insurers decide to enter our province's auto insurance market, they will be forced to follow the same rules and regulations that are currently in place for private insurers in Alberta.

Mr. Speaker, the legislation before us for second reading also outlines that insurance companies are not entitled to compensation for lost revenue resulting from the government's auto insurance reform amendments. When the reforms were being developed, the government clearly stated that any costs associated with the new system would be covered by the insurance industry. This amendment confirms that.

When the automobile insurance reforms were passed in December of 2003, they were designed for insurance on private passenger vehicles only. A proposed change within this bill will clearly indicate that the all-comers rule, which doesn't allow an insurance company to refuse insurance or cancel a policy, addresses insurance on private passenger vehicles only.

Bill 34, Mr. Speaker, also provides better protection for consumers. Last October a consumer dispute resolution mechanism was established. Consumers who disagree with how their premium for basic coverage has been calculated, who allege that they were refused coverage, or who had their policy cancelled have access to a three-step process for resolution.

The first step is for consumers to talk to their broker or agent. If they aren't satisfied, then the consumer can file a complaint with their insurer. A complaint liaison officer will review the case and issue a letter stating the company's final position. If the consumer is unsatisfied with that final position, the next step involves the General Insurance OmbudService, or GIO. Professional mediators will work with both sides in the dispute to reach a solution that is in the best interests of both parties in a fair, independent, and impartial environment. It is important to note, Mr. Speaker, that Bill 34 states that every insurer with a licence to sell automobile insurance in Alberta must be a member of the GIO.

If the problem can't be resolved at that stage, the mediator will prepare a report suggesting nonbinding recommendations.

The third and final step in the process is for the consumer to apply to the Automobile Insurance Dispute Resolution Committee. This committee will review the case and attempt to resolve the dispute. If resolution is still not possible, it will either recommend that no further action be taken or refer the issue to an arbitrator. The arbitrator's decision will be binding.

Mr. Speaker, Bill 34 would also give the Minister of Finance the authority to place specific terms or conditions on the licences of insurance companies. These terms or conditions could be determined on a case-by-case basis and will provide for more effective regulation of the industry.

4:40

Mr. Speaker, another change would see the superintendent of

insurance have the authority to provide interpretative bulletins and guidelines on various aspects of the act. This is consistent with the practice in other jurisdictions.

In conclusion, Mr. Speaker, I would simply like to say that the government is following through on commitments related to the automobile insurance reforms and proposing changes that will provide better protection to consumers.

Mr. Speaker, in closing, I would like to wish you and all members of this Assembly a happy Easter, and I would now move to adjourn debate on Bill 34.

[Motion to adjourn debate carried]

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 6
Fair Trading Amendment Act, 2005

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

Mr. Ducharme: Thank you, Mr. Chairman. It's my pleasure to speak in Committee of the Whole on the Fair Trading Amendment Act. As I indicated in second reading, I will respond to questions raised during debate during second reading.

In regard to concerns raised on moving parts of the act into regulation, all areas in the act are being repealed and will be placed in the regulations. Full consultation will be done with all stakeholders prior to any changes being made to the regulations, and consultation will include industry, consumers, and government departments.

The Fair Trading Amendment Act will not be proclaimed until all applicable regulations are ready to be passed; therefore, there will be no gaps in protection for consumers. The information that a credit reporting agency can and can't include in its reports will be moved to regulation. Moving these provisions out of the act and into the regulations will provide flexibility to deal with future issues.

In addition, we have strengthened consumers' rights by requiring their express consent before their credit reports are assessed. Demanding that a reporting agency disclose a person's file to that person on request and disputing the accuracy or completeness of information in a person's file will both appear in the regulation.

Mr. Chairman, Government Services is co-chairing a national committee that is examining credit reporting legislation and looking to other jurisdictions for examples of best practices. It is expected that many of the committee's recommendations will enhance consumer protection as it relates to credit reporting, especially in the area of assisting consumers who have been victimized by identity theft.

In regard to receipts issued by collection agencies, the regulation will clarify that receipts are required for cash payments to a collection agency, and collection agencies will continue to be required to provide statements of accounts to debtors.

We have added failing to comply with other legislation as a reason to refuse to issue or remove or suspend or cancel a licence. This addresses situations where a person requires a certificate and/or must meet other requirements under other legislation that directly applies to the activity licensed under the Fair Trading Act. An example

would be that an automobile repair business licensed under the Fair Trading Act would also be required to have a journeyman mechanic licensed under the Apprenticeship and Industry Training Act.

Regarding the provisions on property freeze orders, the director can freeze property but cannot dispose of it. Persons affected by a freeze order can apply to the courts to have it varied or cancelled. If property were to be sold, it would have to be done by a receiver who is accountable to the courts.

If there are any further questions from the hon. members during the committee stage, I undertake to respond to your questions at the next stage of the bill process.

Thank you, Mr. Chairman.

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

Mr. Elsalhy: Thank you, Mr. Chairman. I, too, had already spoken to Bill 6 in second reading, and back then I expressed my support for the intent and the merit behind Bill 6. Even privately I have communicated with the hon. government whip that we support the amendments in principle. However, now that we are at the committee stage, I would like to maybe request some points of clarification, some things that caught my eye. I appreciate his offer to address and respond to every question that is raised by the opposition. This is, again, a good sign.

First, there is section 4.1, which is in the proposed amendment that reads: "The Minister may make regulations respecting the establishment of minimum standards for specific types of business that are subject to this Act, without requiring them to be licensed." So maybe that's an area that I would like some clarification on. First, you know, what would be an example of a business that would be subject to the Act but would not be required to be licensed? I, again, being a layman here, and maybe when I explain it to other laymen out there: what's an example of a business that might fall under the authority of this act and be governed by it but then is not required to be licensed?

Maybe even the bigger picture would be that I am concerned that it puts too much power into the hands of the responsible minister. As a citizen I always question, you know, the amount of power that a cabinet minister would have because too much power is not a good thing. So maybe a point of clarification here.

Reading into the proposed amendments more, there is section 7.3(2), which again I need some clarification on. It reads:

If an agreement under a consumer transaction to which section 7 applies has been assigned, or if any right to payment under such a consumer transaction has been assigned, the liability of the person to whom it has been assigned is limited to the amount paid to that person by the consumer.

I honestly didn't understand what this meant, so again any clarification would be tremendously appreciated.

Moving on, there is section 13, which basically says:

Section 29(6) is amended by striking out "Housing and Consumer Affairs Division of the Department of Municipal Affairs" and substituting "consumer services division of the department whose Minister is responsible for this Act".

I read this at least twice, and then my impression is: why is it being offered so flexibly? If it traditionally was the Department of Municipal Affairs, why are we offering this flexibility so it can be freely moved from one ministry to another? Should it stay with one minister? Should we not know where it's supposed to stay? So again maybe a point of clarification there. It didn't make sense to offer it so loosely and say: whoever is the minister at the time, you know, this is where the correspondence should go.

Again moving on, section 18. I am questioning the impact of this change because the new wording leaves it open for this information to be included in the regulations, which is fine. The hon.

government whip indicated that they will not proclaim the law unless and only after all the parties have been consulted. That's fair, and I appreciate that. But the wording reduces the definition of credit information so it excludes occupation and employers and place of residence and, you know, other pieces of information. It allows the minister, again, to have control over this. I can't tell if this is better or worse till I see the regulations. So maybe if the sponsoring MLA would promise to show us the regulations as soon as possible, that would be tremendously appreciated.

4:50

Section 20, which is on page 11 of the proposed amendment, takes out the list of information an agency can and cannot include in the reports and, again, puts it into the regulations. So I have mentioned that already. I am not going to know how to feel about this till I see those regulations, and maybe then I can make up my mind whether it was a positive move or was a negative move.

Section 21 – and I mentioned this in my response during second reading – which appears on page 12, and then also section 23, which appears on page 14, are now being repealed, and the hon. member assured the House that maybe they will appear again in the regulations. I'm concerned that when section 46, at least, is repealed, there is nowhere else yet in the act or the amendment that requires a reporting agency to disclose to an individual or maybe to that individual's representative what's on his or her file. Again a point of clarity.

These regulations have to be courtproof, you know. So if we're working towards making this act better, we should allow those regulations to be challengeproof by not cancelling the essence that was actually in the old act. Usually amendments are meant to improve on pieces of legislation, not to make them weaker.

Similarly, with section 48, which is now being repealed, as proposed by section 23 in the amendment: is there anywhere else in the act or in the amendment or in the proposed regulations, which will soon follow, that allows an individual to dispute the information on his or her file? I am really sensitive to this because, you know, I feel that it's only fair to allow a person to dispute or contest the information that might be on his file. Typically, credit reports are meant to be long term, so a person has to be able to say, "This is not entirely true," or maybe offer a clarification or contest it outright and say: "This is not valid. This is wrong or maybe even old, and I have since fixed my credit rating." And it should reflect in their report.

Moving on to section 36. Section 36 in the amendment repeals section 113 in the old act, and I'm going to actually read what was in the old act so the people would follow, you know, now that it's being repealed, what it means. Section 113 reads:

Every collection agency must acknowledge the receipt of any money that the collection agency or the agency's collector or the employee of either of them collects or receives from a debtor for distribution to the debtor's creditors by means of receipts that meet the requirements of the regulations.

So, really, my question in plain English: would this mean that they don't have to issue receipts now for payments made? I am concerned. If there is a person who owes money – and we all know how much harassment and maybe abuse a person who owes money is subjected to to pay up sometimes – now that he is making a payment, we have to prove to him that here is the receipt for this payment.

So now this section is being repealed. I am just concerned for the average citizen, you know, who might be having some difficulty but then is trying really hard and honestly to rectify and remedy the situation. Why are we taking away this guarantee or this proof that he made a payment?

Section 37 in the amendment repeals sections 115 and 116 in the old act. Again, I would like to read from the old act to comment on this. Section 115(1) reads:

- (a) within 120 days after the end of its fiscal year [the collection agency must] provide the Director with a report of its financial affairs in the form established by the Director and signed by an auditor acceptable to the Director, and
- (b) provide the auditor with access to every book and record of the collection agency that, in the opinion of the auditor, is necessary to carry out the examination.

So why are we repealing this? Why are we allowing them to be less accountable?

Section 116(1), again reading from the old act:

- (h) make any personal call or telephone call for the purpose of demanding payment of a debt on any day except between 7 a.m. and 10 p.m.

Again, this section is being repealed, which, I think, would open the door for more harassment, midnight or even later after that. Why are people asked to be subjected to this ill treatment?

- (i) directly or indirectly threaten or state an intention to proceed with any action for which the collection agency or the collector does not have lawful authority.

Again, we're removing this guarantee, which might open the door for threats which are not justified or not founded.

- (j) make telephone calls or personal calls of such nature or with such frequency as to constitute harassment of the debtor, the debtor's spouse or adult interdependent partner or any member of the debtor's family or household.

People are complaining as it is. So now we're removing this to allow them to face this more and more. Again, the hon. member might say, "Okay, well, this is going into the regulations." But why are we actually removing the meat from the act and putting this same meat into the regulations? It just doesn't make sense.

- (k) give any person, directly or indirectly, by implication or otherwise, any false or misleading information.

So now we remove this, which in essence tells them that it's all right to provide false or misleading information, unless again the hon. member would say, "Well, it's going to be in the regulations," forcing me to question again why it is being moved from the actual act into the regulations.

Moving on:

- (m) contact a debtor's employer, spouse or adult interdependent partner, relatives, neighbours or friends unless

and it provides these specific criteria. Again, this is being repealed. It doesn't make sense.

- (n) contact a debtor at the debtor's place of employment if the debtor
 - (i) requests the collection agency or the collector not to contact the debtor there,
 - (ii) makes reasonable arrangements to discuss the debt with the collection agency or collector, and
 - (iii) discusses the debt with the collection agency or collector in accordance with the arrangements.

I think this was worded to provide a means for, maybe, working things out, and now it's being removed, in essence allowing the collection agency to be on the back of the person owing the money without allowing them a civil way to deal with the problem.

- (o) discuss the debt of a debtor with any person except
 - (i) the debtor or creditor of that debt, or
 - (ii) for the purposes of obtaining information respecting the debtor.

So maybe again I'm thinking more with regard to privacy and the protection of personal information. This section is being repealed. It might end up in the regulations, like the hon. member suggested, but till then it shows that this information is not restricted or not controlled to the debtor and the creditor. Now it's available. More people can get access to it.

Moving on to section 44, which appears on page 27. It says that "section 127(b) is amended" mainly by adding the following after subclause (v): "fails to comply with any other legislation that may be applicable." I was listening to the hon. member explain in his introduction to Committee of the Whole that other legislation might be in place that might take possible precedence, or there is overlap. But who determines if the other legislation is applicable? Is there a list of what's deemed applicable? Again, maybe taking this back to how much authority and how much power the individual minister would have, I think maybe a consultative process should be implemented to allow for more direct input by people who are affected by this law.

5:00

Third reading in general is a positive move, and I think the government, like I mentioned before, should be encouraged to take this forward. I truly support most of what the bill is proposing, but it's just these little concerns, you know. I still fail to see the merit of moving the substance of the act from the act itself into the regulations, which is usually a licence to change these regulations behind closed doors and without real or significant interaction with the stakeholders. So I would urge the government to listen to these concerns and maybe offer clarifications whenever possible. Again, in essence we support the bill, but we just want it to be even better.

Thank you.

[The clauses of Bill 6 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.

Hon. members, before I call the next bill before us, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

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

The Deputy Chair: The hon. Minister of Economic Development.

Mr. Dunford: Thank you, Mr. Chairman. It's a pleasure today to rise and introduce to you and through you to the members of this House a very successful businessman from Lethbridge and a community leader. Mark Switzer is with us today here in the members' gallery. Mark is an owner of a number of businesses and land in Lethbridge but is also very, very active in the community up to and including a great assistance to me in my association in Lethbridge-West. So, with that, I'd like to have all of the members provide Mark with the traditional warm welcome of the House.

Bill 20

Alberta Personal Income Tax Amendment Act, 2005

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

Mr. Ducharme: Thank you, Mr. Chairman. I'd like to address a few of the questions that came up yesterday during second reading of Bill 20. First, I can confirm that this bill is revenue-neutral. It serves to clarify existing administration.

Second, a question that was raised was whether we are excluding from the education credit any people under the age of 16 who are pursuing postsecondary education. The answer is generally no. If, for example, a 14- or 15-year-old person is brilliant, has completed high school and moved on to an accredited postsecondary institution, that person would be eligible for the credit. However, if a 14- or 15-year-old student in high school is taking a dance class for personal interest at a vocational school, for example, the person would not be eligible. The Canada Revenue Agency deems that to be personal interest and does not permit the education credit in such a case. I also want to point out that the education credit is being administered in the way we are proposing to amend the act so there will be no change in the administration.

With regard to section 25 these are purely housekeeping changes. Last year changes were made to the Corporate Tax Act that need to be in parallel in the Personal Income Tax Act. However, when the change was applied in parallel, a mistake was made. This change corrects the error. No definitions are changing, no policies, and no calculations.

Finally, a question about snowbirds and sunbirds was asked. The rules for part-year individuals deal with situations where individuals actually move into or out of Alberta; for example, emigrants or immigrants. Snowbirds and sunbirds do not typically lose their primary resident status. When they go on extended vacation, they typically remain a resident of the country they initially resided in. Consequently, in general the part-year resident rules will not apply to these individuals. As a result, this bill will generally not change the treatment of snowbirds or sunbirds.

The changes proposed in this amendment act will align the provincial act with its federal counterpart, prevent double taxation by ensuring tax credits are not unfairly denied, and clarify aspects of the Personal Income Tax Act.

Thank you, Mr. Chairman.

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

Ms Blakeman: Thank you very much, Mr. Chairman. I just wanted to speak briefly. I know that the Official Opposition critic for this bill has already spoken in second and has expressed generally the support of the Official Opposition for this bill. We do note that it is technical and administrative in nature. The stakeholders that we consulted did not raise any concerns with this bill aside from those that have already been raised and, indeed, just addressed by one of the government members.

I personally am pleased to see the clarification around the restrictions with persons with disabilities tax legislation, which should improve access for individuals with a disability. I have a number of people living in Edmonton-Centre that have disabilities, often with mobility issues, so any relief that they are able to achieve is always welcome and often even clarification is very welcome.

The member just partially addressed not my specific question, but I think there is some confusion generated out of section 16(2) of the original act around the clarification that the individuals described there are attending designated educational postsecondary institutions and have attained the age of 16 years before the end of the year. I don't think that this is connected – but I'll look for clarification – to the issue that arose in the fall when the changes in the social assistance rates for individuals 16 and 17 were changed if they were attending an educational institution.

It most affected constituents of mine and an organization existing in my consistency, Terra, where we had teenage mothers who were attending special schools and were living on their own. Their funding from social assistance was cut off because through a glitch in things they were no longer eligible. I wrote a letter of protest, as

did many others, and indeed the organization of Terra worked closely and quickly with the minister.

I need to note that this has not been resolved, and we have now lost a full term. I think that that affects our larger society as a whole, that we would not have addressed that issue more quickly to be able to get those students back in school and continuing with their education. Here we had these young women who have now lost a full year of school, two terms in essence, because of this funding, and they were specifically cut off specific to their situation, which I think is very poor judgment on the part of the government. So I'm wondering if this section has anything to do with that and if that's how they're trying to fix it, but it looks like it has more to do with postsecondary.

So, as I say, we're understanding that this is largely housekeeping and administrative to catch up with changes that have happened in various tax laws. On behalf of the Official Opposition I would like to get the answers to the questions I've raised particularly before voting on this in third reading. We are happy to support it at this point in Committee of the Whole.

Thank you.

[The clauses of Bill 20 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?
5:10

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Chair. I would move that the committee now rise and report bills 6 and 20.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Airdrie-Chestermere.

Ms Haley: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports the following bills: Bill 6 and Bill 20.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

head: **Government Bills and Orders**
Third Reading
Bill 3
City of Lloydminster Act

Mr. VanderBurg: I move third reading of Bill 3, City of Lloydminster Act, on behalf of the Member for Vermilion-Lloydminster.

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

Mr. Flaherty: Thank you, Mr. Speaker. I would like to give

accolades for this particular bill and suggest it as an example of intergovernmental co-operation. As a result, I would like to recommend that there is a high school built right on the border shared by Alberta and Saskatchewan, the specialization which would be studying interprovincial arrangements, and that would be cost-shared of course. The other thing that I would like to suggest is that taxes from Saskatchewan be given to Alberta this year in '05, and in '06 we reciprocate.

So, really, I'm suggesting it's a wonderful example of intergovernmental co-operation, the governments of Saskatchewan and Alberta, and I think that it clarifies things and certainly clarifies a lot of ambiguities.

Thank you.

The Acting Speaker: The hon. Member for Whitecourt-Ste. Anne to close debate.

Mr. VanderBurg: I'd call the question.

[Motion carried; Bill 3 read a third time]

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

Mr. Zwozdesky: Thank you, Mr. Speaker. Pursuant to the Easter break adjournment motion previously passed by this Assembly I would first of all like to extend very warm wishes for those who are celebrating Easter this weekend, and secondly, I would like to move that we now call it 5:30 and adjourn until 1:30 p.m. on Monday, April 4.

Thank you.

[Motion carried; pursuant to Government Motion 6 the Assembly adjourned at 5:15 p.m.]