

Legislative Assembly of Alberta

Title: **Wednesday, April 6, 2005** **1:30 p.m.**
 Date: 05/04/06
 [The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon and welcome.

Let us pray. Grant us daily awareness of the precious gift of life which has been given to us. As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and of our country. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Cardinal: Thank you very much, Mr. Speaker. On your behalf I would like to introduce to you and through you to the members of the Assembly 20 seniors from the Rendez Vous Centre in Morinville, which is located in the beautiful constituency of Barrhead-Morinville-Westlock. They are participating in a tour of the Legislature today and are seated in the gallery this afternoon. I would like to ask them to rise and receive the traditional warm welcome of the Assembly.

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

Mr. Ducharme: Thank you, Mr. Speaker. I have two introductions to do today. The first one: I'd like to introduce to you and through you to all the members of the Assembly 15 students from the R.A. Reynolds school from the constituency of Bonnyville-Cold Lake. They are accompanied today by teacher Anna Laplante, and Anna is a former classmate of mine. She's also joined by parents Bob Cochrane and Brenda Bischke. I'd ask them to please rise and receive the traditional warm welcome of the Assembly.

The second introduction I have, Mr. Speaker, which I wish to make to everyone here in the Assembly, is municipal leaders from the municipal district of Bonnyville. They are accompanied here today by their leader, Mr. Ken Foley, the reeve; councillors Judy Cabay, Werner Gisler, Andy Wakaruk, Ed Rondeau, and his wife, Annette. I ask you to please give them the traditional warm welcome.

The Speaker: The hon. Member for Lacombe-Ponoka.

Mr. Prins: Thank you, Mr. Speaker. I would like to introduce to you and through you to all members of the Assembly a good friend and former colleague of mine, the reeve of Lacombe county and providing good governance, Mr. Terry Engen. He actually lives in the constituency of Rocky Mountain House but provides good governance to the whole county. He is seated in the members' gallery, and I would ask him to please rise and receive the warm welcome of the Assembly.

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

Mr. Danyluk: Thank you very much, Mr. Speaker. I am pleased to introduce to you and through you to members of this Assembly representatives of Lakeland county who are in Edmonton also attending the Alberta Association of Municipal Districts and

Counties spring convention. Joining us today are Reeve Peter Kyrlychuk, Phil Lane, Robert Richard, Greg Bochkarev, Eugene Ugancz, Todd Thompson, Barry Kolenosky, and Chief Administrative Officer Duane Coleman. They are seated in the members' gallery this afternoon, and I would ask if they would rise and receive the traditional warm welcome of this Assembly.

Thank you.

The Speaker: The hon. Member for Peace River.

Mr. Oberle: Thank you, Mr. Speaker. It is my honour to introduce to you and through you to all members of this Assembly Mr. Don Good, a councillor from the town of Peace River, a friend, and a former colleague. Don flew into Edmonton this morning for meetings. He's visiting us here in the Assembly today, and then he's going to fly home tonight, a feat that would not be possible without access to the City Centre Airport. I would ask Don to rise and receive the traditional warm welcome of this House.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to rise and introduce to you and through you to all hon. Members of this Legislative Assembly Cathy Bartlett. She is the mother of Leah Halliday, who is a page in the Assembly. Leah is very polite, hardworking, and conscientious, and she's a credit to Alberta's youth. Cathy Bartlett is in the Speaker's gallery, and I would now ask her to please rise and receive the warm traditional welcome of this Assembly.

The Speaker: The hon. Minister of International and Intergovernmental Relations.

Mr. Stelmach: Well, thank you, Mr. Speaker. I'm pleased to introduce to you and through you to members of the Assembly His Excellency Mr. Snanchart, ambassador of the Royal Kingdom of Thailand. With His Excellency today are the first secretary of the Royal Thai Embassy, Mr. Chatchai, and the honorary consul general of Thailand in Edmonton and, of course, a former member of this Assembly, Mr. Dennis Anderson.

Mr. Speaker, this is the ambassador's first visit to Alberta. In addition to our trading relationship, Alberta's postsecondary institutions have strong ties with Thailand in numerous disciplines. The people of Thailand have been in Albertans' thoughts after the west coast of Thailand was hit by a tsunami. The people of Alberta donated generously in helping with the reconstruction of the affected areas.

They're seated in your gallery, and I would ask them to rise, Mr. Speaker, and also ask for the very warm, traditional welcome of this Assembly.

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

Mr. R. Miller: Thank you very much, Mr. Speaker. It gives me untold pleasure this afternoon to introduce to you and through you to all members of this Assembly a rather large group of students from the wonderful school of St. Teresa Catholic elementary in my constituency of Edmonton-Rutherford. We have a total of 72 students this afternoon comprising three classes as well as 10 accompanying adults with them. I'd like to just name the teachers and teachers' assistants as well as the parents that are with them this afternoon. We have, seated in both the public and the members' galleries, teachers Mrs. Thérèse Coates, Ms Lucy Roberts, Mr.

Charles Stuart, as well as teachers' assistants Mrs. Lois Boxall, Mrs. Debbie McDougall, and the parent helpers Mrs. Miller, Mrs. Pilger, Mr. MacLeod, Mrs. Ross, and Mrs. Colwell. I would ask that they please all rise and receive the very warmest welcome of this Assembly.

Thank you very much.

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

Mr. Agnihotri: Thank you, Mr. Speaker. It's my great honour to rise and introduce to you and through you to all members of the Assembly three wonderful people from my own constituency. They are Mr. McGowan, Mrs. Marlene Deregowski, and Darlene Treder. Mr. McGowan has been the president of the Edmonton-Ellerslie Liberal association for many, many years. Mrs. Deregowski is my constituency manager, and Mrs. Treder is my constituency assistant. They are seated in the public gallery. I request them to please rise and receive the warm welcome of the Assembly.

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

Mr. Martin: Thank you, Mr. Speaker. I am very pleased to introduce to you and through you to the Assembly two members of the parent advisory committee of North Edmonton school, which is of course located in my constituency. They are here to show their opposition to the proposed closure of their children's school, North Edmonton school. It's worth noting that this school was praised for its good work by the chair of the Learning Commission. The members here are Pam Bellamy and Adele Woo, and I would ask them to rise and receive the warm welcome of the Assembly.

1:40

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

Dr. Pannu: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and to all hon. Members of this Assembly Ms Jette Badre and Ms Birgit Wildenhoff. Ms Badre is the president of a parents' organization for diabetic children known as POKED, Parents of Kids Enduring Diabetes. She is also the vice-chair of the Mill Woods southeast community health council. Birgit Wildenhoff is a successful businesswoman and serves on the boards of various Danish and Scandinavian community organizations, including the Danish church and the Scandinavian Trade and Cultural Society. She is also a founding member of the Danish library.

Mr. Speaker, I'm delighted to add that the Scandinavian Trade and Cultural Society will be holding a midsummer fest in Rundle park in Edmonton on June 23 to celebrate Alberta's centennial. These two guests are seated in the public gallery, and I will now request them to please rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Cardston-Taber-Warner.

Mr. Hinman: Thank you, Mr. Speaker. I am pleased to introduce to you and through you to this Assembly Darren Popik, who is seated in the public gallery. Darren worked for Dale Johnston, MP for Wetaskiwin. Darren has been active in provincial politics as well. I would ask Darren to rise and receive the traditional warm welcome of this Assembly.

head:

Oral Question Period

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

Securities Commission

Dr. Taft: Thanks, Mr. Speaker. Concerns continue about the Alberta Securities Commission. Yesterday under questioning the Minister of Finance said, "the commission is confident that the workings of the commission are in order." Well, what else are they going to say? It's the public and the investment community who need to be confident that the workings of the commission are in order. To the Minister of Finance: given the seriousness of the allegations, including regulatory favoritism and employee harassment over a period of years, and the fact that up to 30 interviews were held, is the minister confident that Mr. Mack in three short weeks had enough time and resources to thoroughly complete his first investigation?

Mrs. McClellan: Well, Mr. Speaker, the hon. member is asking me for an opinion on judging how Mr. Mack utilizes his time. I would assume that Mr. Mack had the amount of time that was required. I don't believe that there was any time frame put on him.

Secondly, I should say again that it was the independent, part-time commissioners who submitted their findings to me based on some 700 pages of information that they perused.

Mr. Speaker, if the hon. member has any correspondence with the investment community that they are concerned or dissatisfied with this report, I would appreciate receiving it because I am not getting that message from the investment community. In fact, that message is coming from there only.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. To the same minister: has the minister spoken directly to Mr. Mack to discuss his first report and confirm that he had adequate time to complete his investigation?

Mrs. McClellan: No, Mr. Speaker. I have not nor do I think it's necessary or appropriate. Mr. Mack was employed by the Alberta Securities Commission's part-time members to investigate a complaint. I am sure that Mr. Mack was accorded the time that was required. If Mr. Mack had a concern about the time that he had, felt that it was important that he involve me, I'm sure that he would contact me. My address is quite available.

The Speaker: The hon. leader.

Dr. Taft: Thanks, Mr. Speaker. Again to the Finance Minister: given the threats to whistle-blowers in the ASC, including being publicly dismissed as cowardly and depraved by their bosses, why didn't the minister bring in an independent body to respond to Mr. Mack's report on the commission instead of allowing the commissioners themselves to prepare the report?

Mrs. McClellan: Mr. Speaker, first of all, the hon. member does not seem to understand that it was the independent, part-time commissioners that responded to this report – independent, part-time commissioners. I find it interesting that he is concerned about these employees and their ability to bring forward complaints, yet doesn't want me to respect the solicitor-client relationship on which basis of anonymity they brought forward their complaints. A little contradiction here.

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

Dr. Taft: Mr. Speaker, Mr. Mack's first report was immediately turned over to the ASC commissioners, who were given more than five weeks to prepare a response. To the Minister of Finance: what were the roles of Mr. Sibold and Mr. Linder in preparing the second report, which dismissed the concerns of regulatory interference?

Mrs. McClellan: Well, Mr. Speaker, I'll repeat one more time. There were two reports. The first one was a report Mr. Mack prepared on interviews with persons who brought forward concerns. The second report, which brings the balance, was the interviews with persons who would have been involved in those complaints on the other side. That report, as I indicated prior to that, was released on the 21st. I will repeat one more time for the hon. member, and I will say it very slowly: it was the independent, part-time commissioners that responded to me. Now, if the hon. member thinks that Mr. Sibold or Mr. Linder fit in that category, perhaps he has answered his own question.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. Were the independent, part-time commissioners unanimous in their conclusions and in their production of the second report?

Mrs. McClellan: Mr. Speaker, they sent me the report. I didn't ask them if they had voted on the content or on the release of it, but I am assuming that when they forwarded it to me, it was a report of the body that sent it.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. Given the nature of the allegations brought forward about the chairman and the executive director of the ASC and the relationship between those men and the part-time commissioners, how can the minister assure investors that these two men have not influenced the report delivered by the commission?

Mrs. McClellan: Well, Mr. Speaker, I guess I respect the integrity and professionalism of these people who have agreed to serve in this capacity. I would expect there's a little more trust on this side in that integrity and that professionalism. These are very respected persons who sit on that commission.

The report has been clear in two areas: one, on the regulatory side that things are being handled consistently, fairly, and even-handedly – that was very important to the investment community – and secondly, there are some human resource issues within the commission. The part-time commissioners have made it very clear in their report that through their human resource division they will be dealing with those immediately.

I would just close with this, Mr. Speaker. I indicated yesterday that I asked my deputy to speak with that division to get a work plan or a timetable to ensure that that is carried out expeditiously and thoroughly.

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

1:50

Oil Sands Employment

Mr. Backs: Thank you, Mr. Speaker. StatsCan information for February of this year reported high construction unemployment across Canada. For example, Newfoundland and Labrador stood at 46.7 per cent for construction unemployment. Nova Scotia was at

23 per cent. There was equally high unemployment in construction across the other provinces. There's clearly no present shortage of construction labour in Canada. The great challenge is connecting Canadians and Albertans to oil sands jobs. My question is to the Minister of Human Resources and Employment. Will this government require employers to provide the same transportation and accommodation costs to qualified unemployed Canadians that would be spent to attract temporary foreign workers?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. That is a reasonable question. Again, when you're talking about the issue of labour shortage in Alberta, I'd just like to indicate to the opposition how lucky we are and how blessed we are to live in such a fine province with a strong, diversified economy with thousands of jobs there for everybody.

Mr. Speaker, one thing we've said all along – and I've had a lot of questions on this issue since the House opened – is that the top priority is still Albertans, Canadians. Those have to be looked after first. The employers, who are the people that are responsible in hiring foreign workers and local workers, have to exhaust all avenues available to hire and train local people.

The Speaker: The hon. member.

Mr. Backs: Thank you, Mr. Speaker. A supplementary question to the Minister of Finance: will this government call on the federal government to increase the northern residence tax deduction for Fort McMurray residents and workers and provide matching Alberta tax relief?

Mrs. McClellan: Mr. Speaker, we consistently and constantly pray on our federal government to reduce taxes in all areas. If we continue to do that and actually get some response in those areas, we will continue to ensure that the federal government understands that the economy grows better and works better and is more effective through a lower tax regime.

The Speaker: The hon. member.

Mr. Backs: Thank you, Mr. Speaker. To the Minister of Human Resources and Employment: will this minister look to provide travel allowances or tax relief for all those Albertans who travel the long, weekly trek to the oil sands in Fort McMurray?

Mr. Cardinal: Well, Mr. Speaker, this side of the House would not go into detailed micromanagement of private companies out there. Private companies deal with these issues very effectively.

The Speaker: The hon. leader of the ND opposition, followed by the hon. Member for Cardston-Taber-Warner.

Oil Sands Bitumen Export

Mr. Mason: Thank you very much, Mr. Speaker. Yesterday in reply to a puffball backbench question the Minister of Energy raised the spectre of Kyoto as an excuse for allowing the export of raw bitumen from the oil sands. The government's policy of allowing wholesale ethane exports to the U.S. is already costing 400 Celanese workers their jobs. Now the government seems prepared to put oil sands upgrading jobs at risk as well. My question is to the Minister of Energy. Will the minister today make a clear commitment that

the export of oil sands bitumen to be refined and upgraded outside Alberta will not be allowed by this government?

Mr. Melchin: Mr. Speaker, it has been and continues to be the policy of this government to support all the value-added opportunities that can and will exist. We continue to encourage the upgrading to happen from the Fort McMurray oil sands. We've got a Hydrocarbon Upgrading Task Force that's working on a very good project, using bitumen as a feedstock for the petrochemical industry. There are many things that we're actively doing to make sure that Albertans get the best value from that bitumen.

Mr. Mason: I didn't hear a clear commitment, Mr. Speaker. Given that Alberta already allows raw gas and petrochemical jobs to be exported down the Alliance pipeline, won't it take a clear position against allowing jobs in the oil sands to be exported as well?

Mr. Melchin: Mr. Speaker, I think we've been very fortunate to have set the right policies and climates to attract the billions and billions of dollars of investment into this industry. We're looking in the oil sands industry at potentially a hundred billion dollars over the next 10 years, and that's just in the oil sands. This is an amount of investment that's happening throughout this province to see that we as Albertans get the best value.

With respect to access and export capacities, clearly we want to have the opportunity to export. Even for the natural gas, before that capacity was there, we had a stranded value. We were getting prices substantially lower than what you could realize in the United States market. We this past year had about 6 and a half billion dollars in royalties from natural gas as a result of being allowed to trade with our partners.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. That troubles me very much. Why is the government then giving massive royalty breaks to these oil sands companies, and it won't stand up and say that the bitumen must remain in this province to be processed?

Mr. Melchin: Mr. Speaker, I want to clarify again. This is our policy, and we continue to work very closely with industry to do everything we can to see that the economics are right to upgrade and refine those products right here from the bitumen. We are doing just that. Companies are actively working on many of the upgraders. Suncor recently announced one of their expansion proposals for upgrading capacity for their project. That's just one of numerous proposals that are coming forward for upgrading capacity.

The Speaker: The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for West Yellowhead.

Definition of Marriage

Mr. Hinman: Thank you, Mr. Speaker. It seems that those who say we need more tolerance are often the most intolerant and seek to take away the freedoms of conscience and religion as well as the freedoms of thought and expression from others, though we protect theirs. Last week the Alberta Human Rights Commission received two complaints over the beliefs expressed by Bishop Fred Henry of Calgary. My question is to the Premier. What is this government going to do to protect our freedoms of conscience and religion as well as our freedom of thought, belief, opinion, expression, and freedom to publish and communicate in peaceful assembly with our associates?

Mr. Klein: Well, as much as I hate to say it, Mr. Speaker, I agree with him. I have made public statements that although I don't agree with all the points raised by Bishop Henry, he certainly has every right – every right – to express those views.

I can tell the hon. member that relative to maintaining the traditional definition of marriage, we're on the same wavelength.

The Speaker: The hon. member.

Mr. Hinman: Thank you. Again to the Premier: will the Premier today tell Albertans and this Assembly how many citizens, how many thousands of citizens, a number, how many he would like present on the grounds of the Legislature on the 7th of May, 2005, at 1 p.m. in order for the Premier to perform his final flip on the issue and bring to this Assembly a marriage act that will declare that notwithstanding the definition of marriage . . .

The Speaker: We should have a question sometime.

Mr. Klein: Well, first of all, I wasn't aware that hundreds or thousands of people were going to converge on the Legislature on May 7. I have no idea what day that is. I have no idea where I'm going to be at that particular time. But to answer the question, if there was indeed a question in the preamble, although we believe in maintaining the traditional definition of marriage – by the way, so does the Parliament of Canada. As of 1999 they did, the result of a motion that passed, well, not unanimously but by a huge majority.

Mr. Speaker, we can't invoke a law that is unenforceable, that is unlawful. We are lawmakers, not lawbreakers. Now, if the hon. member wants to be different, that's entirely up to him, but I would remind him that he is here to make laws, not to break laws.

The Speaker: The hon. member.

Mr. Hinman: Thank you, Mr. Speaker. Again to the Premier: will the Premier lead the parade of two-thirds of Albertans for their traditions and values and not Joe Clark's parade and replace the constitutional featherweights who say that they can't win this fight to defend traditional marriage and put in heavyweights who not only say that we can but will win this fight?

Mr. Klein: Mr. Speaker, I think that this government has led the parade. Absolutely. In terms of political action, in terms of exploring what appropriate legal action we can take, I have written to every Member of Parliament, including the Prime Minister. I have encouraged all Albertans to write to their Members of Parliament to have this bill killed or at least amended so that the government responsible for jurisdiction over the notwithstanding clause can invoke it. So we have indeed led the parade. Other provinces have succumbed to the will of the courts. There's never been a court challenge in this province, but we are firm in our resolve to defend with great vigour the traditional definition of marriage.

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

2:00 Softwood Lumber Trade Dispute

Mr. Strang: Thank you very much, Mr. Speaker. Alberta's softwood lumber continues to pay huge countervail and dumping duties to the United States. Under the U.S. Byrd amendment the U.S. government can redistribute those duties to the U.S. timber companies that claim to be injured by the Canadian trade practice.

My question today is to the Minister of International and Intergovernmental Relations. The Canadian government has announced retaliatory measures against the U.S., including 15 per cent duty on live hogs and cigarettes. Can the minister tell if the Alberta government was consulted on this retaliatory action?

Mr. Stelmach: Mr. Speaker, the WTO, World Trade Organization, ruled some time ago that the Byrd amendment contravenes all existing trade rules. They also ruled that Canada can put forth various retaliatory measures such as the hon. member had mentioned. We were consulted as the provincial government. I was on the phone a couple of times with the Minister of International Trade, Mr. James Peterson, and we did have a discussion on this particular area.

The Speaker: The hon. member.

Mr. Strang: Thank you very much, Mr. Speaker. To the same minister: does the Alberta government support this retaliatory action by the Canadian government?

Mr. Stelmach: Mr. Speaker, retaliation when it comes to trade is a last resort. Given the fact that there was support from other countries, I believe about seven, that through the World Trade Organization were prepared to do something in this regard – although it is a retaliatory measure, we hope that the American government would see that it is time to repeal the Byrd amendment and come to the table and try to resolve some of these issues.

I know that on the issue over softwood lumber presently they're sitting on about \$4.3 billion of tariffs collected, and I don't think we'll see a solution to this recent effort in trying to resolve this issue unless they return that money to Canadian producers.

The Speaker: The hon. member.

Mr. Strang: Thank you very much, Mr. Speaker. My second supplementary question is to the Minister of Sustainable Resource Development. What is Alberta's share of duty paid to date that the Byrd amendment would like to redirect to the United States forest industries?

The Speaker: The hon. minister.

Mr. Coutts: Thank you, Mr. Speaker. Our forest industry has been paying cash deposits on a daily basis of about half a million dollars, which amounts to about \$180 million a year. Since the duty has been put in place, that has resulted in about \$500 million of Albertans' money that is there. We've been working with the industry as well as our partners to make sure that we can find ways to bring those deposits back to our industry. As part of the overall negotiations we're looking at ways and options of bringing that money back to Alberta. Our industry has been negatively impacted by the duty and what we think is an unreasonable Byrd amendment.

Thank you.

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

Water Strategy

Dr. Swann: Thank you, Mr. Speaker. Alberta Economic Development released figures Monday reporting a record 946 projects worth \$107 billion, mostly nonrenewable energy resources, in Alberta.

Alberta's most precious and diminishing resource, fresh water, is under a constant threat from drought worsened by climate warming, population growth, and resource extraction. My first question to the Premier: with no significant increase in funding to Alberta Environment in a decade, when will this government commit to adequate financial resources in the Ministry of Environment so it can do its job of water management and protection identified in the Water for Life strategy?

Mr. Klein: Mr. Speaker, as the hon. minister pointed out yesterday, I believe, the Water for Life strategy is one of the most comprehensive of any jurisdiction in Canada. I would ask the hon. member to wait and see what is in next week's budget before accusing this government of not backing the Department of Environment as it pertains to the Water for Life strategy.

The Speaker: The hon. member.

Dr. Swann: Thank you, Mr. Speaker. Again to the Premier: will this government here and now guarantee to Albertans that our water will never be subject to NAFTA and sold to the highest bidder?

Mr. Klein: That is a very interesting question. I don't know what the rules are relative to water and NAFTA, but quite clearly the policy of this government is that there be no interbasin transfers to send water to the United States. That's not to say that commercial bottlers of water can't sell bottled water to the United States. But there will be no interbasin transfers. I was contemplating just the other day – and I've got to research how that policy applies and whether it's a legislated policy or not. But if it's not legislated, then we'll make sure it is legislated.

The Speaker: The hon. member.

Dr. Swann: Thank you, Mr. Speaker. Again to the Premier: will the Premier inform all Albertans whether maximizing economic growth will continue to override water protection policy into the future?

Mr. Klein: No, Mr. Speaker. I can't advise them on something that is absolutely untrue and false. I can't advise them on false assumptions of the opposition. I can advise them that the Water for Life strategy is a good strategy that strikes the right balance between industrial use and those who are concerned about the use of water, irrigators, those involved in the agricultural industry, those involved in the petroleum industry.

Mr. Speaker, there is a great demand for water in this province. The hon. member knows. He knows very well that this is a treasured resource in our province. You know, it's often been said that whiskey is for drinking; water is for fighting over. But we want to end the fight, and that's what the Water for Life strategy is all about: to strike the right balance.

Métis Hunting Rights

Mr. Lougheed: Mr. Speaker, several of my constituents are concerned about the interim Métis harvesting agreement and would like to know how the Powley decision impacts Métis harvesting in Alberta. The first question I have is for the Minister of Aboriginal Affairs and Northern Development. Did the Powley decision restrict Métis hunting to traditional lands or place any restriction on where Métis may hunt?

The Speaker: The hon. member should be aware of *Beauchesne*

408(1)(c), which says that questions cannot involve a legal opinion. So I don't know if we're on that one or not, but, hon. minister, proceed with some care.

Ms Calahasen: Okay. Thank you very much, Mr. Speaker. First of all, the court didn't make reference to site specific, but clarified this – and I think this is really important – by saying that the rights are the same as that of First Nations members. However, in the Blais case the same day it said that Métis were not Indians under the natural resources transfer agreement. The limitations to subsistence hunting on unoccupied Crown lands are in the natural resources transfer agreement, and this left the possibility that these limitations would not apply to Métis hunters. Therefore, we needed to clarify these kinds of unresolved issues as determined by the Supreme Court of Canada.

Mr. Lougheed: Well, to clarify further, to the same minister: under the interim agreement can Métis hunting in Alberta occur in a more extensive region than that guaranteed by these decisions? Where in Alberta can Métis hunting occur?

Ms Calahasen: Well, Mr. Speaker, I'll make every attempt to answer the question as to where they can. In order to reconcile Métis rights with Indian rights, which is what the Supreme Court directed us to do, we broadened the decision in some areas and narrowed it in others. For example, the decision left open the possibility of commercial hunting and might not have been limited to unoccupied Crown lands. Our agreement prevented these interpretations from occurring. In fact, we negotiated an agreement consistent with the Supreme Court decision by confirming that Métis, like Indians, can hunt for subsistence purposes on unoccupied Crown lands throughout Alberta.

2:10

Mr. Lougheed: To the same minister: under both the Powley decision and the interim agreement are there any restrictions on when hunting may occur and on what animals, like sheep, caribou, and grizzlies?

Ms Calahasen: Well, Mr. Speaker, the Powley decision did not limit the hunting rights by species. In fact, the matter of endangered species will be taken up in ongoing talks with the Métis Nation of Alberta and the Métis Settlements General Council. Under our agreement, however, harvesting rights are clearly subject to restrictions for conservation purposes and safety closures. Hunting can occur during any season of the year but subject to conservation and safety closures.

The Speaker: The hon. Member for Edmonton-Glenora, followed by the hon. Member for Highwood.

Policing Services

Dr. B. Miller: Thank you, Mr. Speaker. In recent years public confidence in the integrity of our police services has been undermined by numerous incidents involving police misconduct. There has been an erosion of public trust in our police that must be restored. My questions are to the Solicitor General. What concrete actions will this government take to restore the public's confidence and trust in our police services?

The Speaker: The hon. minister.

Mr. Cenaiko: Thank you very much, Mr. Speaker. As you know, Bill 36 was introduced for first reading this past Monday and will be entering second reading tomorrow afternoon, but I can add to the hon. member's question. Consultation throughout the province began in 1999, and over the past six years hundreds of submissions were received in ongoing consultation with the stakeholders throughout the province. The Alberta Association of Police Governance, the Alberta Association of Chiefs of Police, the Alberta Federation of Police Associations as well as members of the public have provided information to us with regard to what the legislation should look like in the future. This act is 18 years old, and it has been presented and is before this Legislature now.

The Speaker: The hon. member.

Dr. B. Miller: Thank you, Mr. Speaker. Again to the Solicitor General: given that the public and police commissions as well as the government's own reports called for a full public oversight of investigations involving complaints to the police, why does the government persist in refusing to implement a public civilian oversight process?

Mr. Cenaiko: Well, Mr. Speaker, there are four components of public oversight. Two additional, new components are going to be addressed. There is the Police Commission, which is an appointed body. There is the public director, which is a new position which will receive all of the complaints. There is the new position with the member or members of the public being appointed to oversee the integrity and the process of an investigation. There is also the Law Enforcement Review Board, another public body that's there to review appeals. There are two new, additional civilian oversight areas. We are one of only a few provinces that have this additional legislation.

Mr. Speaker, the public can't investigate criminal activities. They don't have the experience. They don't have the skills. They don't have the training. Police officers, trained police investigators have to investigate criminal activities.

The Speaker: The hon. member.

Dr. B. Miller: Thank you, Mr. Speaker. Can the Solicitor General explain to this House as well as the public how his recent fact-finding trip to Las Vegas and Phoenix will improve the effectiveness of policing in Alberta?

Mr. Cenaiko: Well, Mr. Speaker, the intent of the trip was twofold. One was to look at the program that they utilize there for the retention and hiring of officers in two of the fastest growing cities in the United States, one being Phoenix and one being Las Vegas, where they have 6,000 people moving into their city per month. That puts a huge strain on the infrastructure of the municipality but, as well, a huge strain on hiring resources, hiring police officers. We received information from them with regard to how they look at their potential new recruits coming in-line and staying within a police service, their retention programs, their education programs, their training programs. As well, we looked at the corrections facilities, the tent city that has a remarkable background, with corrections officers and a thousand inmates that sleep under the stars or under the tents every night.

The Speaker: The hon. Member for Highwood, followed by the hon. Member for Edmonton-Calder.

Highways 2, 7, and 547 Interchange

Mr. Groeneveld: Thank you, Mr. Speaker. There have been a high number of accidents during the past few years on highway 2 at the Aldersyde intersection south of Calgary, crashes that have resulted in serious injuries and, in too many cases, deaths. In fact, we had another bad one last week. This intersection is a junction of three highways, and there's a lot of heavy truck traffic due to the presence of a trucking company nearby and various industrial and intensive agricultural operations. People in the area and the rural municipality have been calling for an interchange in this location for many years, and one was promised back in 2003. My question is for the Minister of Infrastructure and Transportation. Could the minister update this Assembly on the status of this interchange?

Dr. Oberg: Well, thank you very much for that very concise question. It was absolutely wonderful.

It's an incredibly important issue in the member's particular constituency. This has been an interchange that we have been planning for the past couple of years and, indeed, have been in negotiations with landowners. It is fairly complicated because there are numerous landowners. But through to the hon. member, Mr. Speaker, that is one that is going to be going, and it should physically start happening as soon as we get the land purchased and hopefully will be in the ground in 2006.

The Speaker: The hon. member.

Mr. Groeneveld: Thank you, Mr. Speaker. My first supplemental is to the same minister. Why has it taken the department so long to build the interchange given that the problems at this intersection have been obvious for so many years?

The Speaker: The hon. minister.

Dr. Oberg: Thanks, Mr. Speaker. Quite simply, the traffic in southern Alberta has changed significantly over the past four or five years. We have understood this, and we have undertaken to purchase the land. Because of all the various landowners that surround this, because of the businesses that have to be relocated – there's also a railroad that goes fairly close to this as well – it has been a complicated issue. We're proceeding as quickly as we can, and as I said in the first part of my answer, we hope that we'll be starting construction on the interchange next year.

The Speaker: The hon. member.

Mr. Groeneveld: Thank you, Mr. Speaker. My final question is also to the Minister of Infrastructure and Transportation. How much safer will the interchange be than the existing interchange that requires people to cross four lanes of highway-speed traffic?

Dr. Oberg: Mr. Speaker, this is one of the most dangerous intersections and interchanges in Alberta at this time. Eighty-three per cent of the accidents involve a T-bone type of collision, which is someone going across the traffic and all of a sudden being hit by a car that's going 110 or 120 kilometres per hour. These are extremely serious issues. These are extremely serious accidents, and the sooner we can get this interchange under way the better.

The Speaker: The hon. Member for Edmonton-Calder, followed by the hon. Member for Calgary-Varsity.

Energy and Utilities Board

Mr. Eggen: Thank you, Mr. Speaker. If you ask Albertans in communities across this province, the Energy and Utilities Board is nothing but a toothless tiger serving the energy industry at the expense of the environment and of public safety. Now, in the name of streamlining and so-called efficiency, the EUB is proposing to further weaken its powers to enforce compliance with EUB rules. My question is to the Minister of Energy. Given the words of a respected environmentalist that the new policy will become a walk in the park with the EUB and industry holding hands, why is the government letting the EUB compromise public safety by further weakening its enforcement policy?

Mr. Melchin: Mr. Speaker, that's absolutely false in preamble, in statement, in fact. The Energy and Utilities Board acts very judiciously in respect of Albertans to protect their interests. If it were a matter of just complying with the companies' requests, then we wouldn't need them, but they are there to ensure that we have the right enforcement, the right level of regulation, and the right balance so that we can both encourage development and ensure that the public is protected.

The Speaker: The hon. member.

Mr. Eggen: Thank you. To the same minister: why is the EUB pushing for a new compliance policy based on voluntary industry self-disclosure when this approach failed famously last December, when Acclaim Energy failed to notify authorities of a gas well blowout in Edmonton, leaving public health officials to learn about it from the news media?

Mr. Melchin: Mr. Speaker, I'm not aware specifically of the instance he's referring to.

They are continually reassessing processes. You always have to ensure that you've got the right processes, and that is a reflection that they would be doing on an ongoing basis. I would encourage them continually to look at how to improve their processes for both the public and the companies.

The Speaker: The hon. member.

Mr. Eggen: Thank you. Same minister: what action, then, will the government take to put a stop to the EUB adopting a new enforcement policy that increases risks to both public safety and the environment here in Alberta?

2:20

Mr. Melchin: Mr. Speaker, the Energy and Utilities Board is acting to ensure that the public is protected. They are taking action to see that safety, environmental standards, any of those things, are not compromised. They are ensuring that there's an appropriate balance, that there's an appropriate window, an opportunity for people to know where they should go, the right body. So, in that respect, you always look for a better way and a more improved methodology to accomplish that task.

The Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Member for Red Deer-North.

Fort McMurray Infrastructure Needs

Mr. Chase: Thank you very much, Mr. Speaker. According to Fort McMurray industry representatives, residents, city officials, and

local First Nations, the province's infrastructure plan isn't going to work. The province is only promising a fraction of the \$1.2 billion needed to improve the quality of life in Fort McMurray. To the minister of health: given that Fort McMurray is the only Alberta city of its size without an MRI unit, will the minister commit to funding one in this year's budget?

Ms Evans: Mr. Speaker, there's been a lot of work done by the regional health authority to analyze its needs both from a long-term perspective and for the diagnostic imaging equipment. We are looking at a number of innovative ways to deliver that service, perhaps even between more than one authority in order to save costs. There's a private entrepreneur that I met the other day that was showing me a travelling MRI that they are attempting to work with in some of the regions so that we can accommodate some other options. So we are looking at options to fulfill the need for patient diagnostics, as the member has asked for.

The Speaker: The hon. member.

Mr. Chase: Thank you. To the minister of infrastructure: why is this government failing to be proactive in funding a water treatment plant so that Fort McMurray doesn't end up becoming another statistic like Walkerton, Ontario, or North Battleford, Saskatchewan?

The Speaker: The hon. Minister of Infrastructure and Transportation.

Dr. Oberg: Thank you very much, Mr. Speaker. When it comes to water treatment, when it comes to the whole water issue, it's extremely important for our communities. Fort McMurray on Monday night put forward a proposal for around \$94 million for a water treatment plant. That's the first time that they have actually addressed that with me. I agree that if that is needed, we certainly will be there as a partner in funding water treatment in Fort McMurray.

The Speaker: The hon. member.

Mr. Chase: Thank you very much. To the Minister of Finance: if it isn't acceptable for the province to be in debt, why has this government forced Fort McMurray residents into shouldering a debilitating debt?

Mrs. McClellan: Well, Mr. Speaker, it's a very interesting question. As I indicated in the House – I think it was yesterday – I had the honour and pleasure and privilege of joining many of my colleagues, including most of the cabinet ministers in this government, in a session with a group from the Fort McMurray-Wood Buffalo area. Included in that were their regional health authorities, their advanced education people, the school system – the superintendent was there – plus multi-companies. In fact, the presentation was made by a member of industry up there. That was Monday evening.

They gave us a very comprehensive report, that they had put a great deal of time and energy into. They had updated the report which they had given us two years ago and brought that to us. Mr. Speaker, we made a commitment at that time to work with them in all aspects of that report, and even the people of Wood Buffalo have not expected that they would have an answer by 2:25 on Wednesday from a Monday night presentation.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for St. Albert.

Regional Water and Sewer Systems

Mrs. Jablonski: Thank you, Mr. Speaker. The North Red Deer River Water Users Group plans to build a regional waterline that will supply water from the city of Red Deer to the towns of Blackfalds, Lacombe, and Ponoka. The group did receive funding from this government for the project, but the funding is now not enough to allow construction to proceed. My question is to the Minister of Infrastructure and Transportation. Could the minister update this Assembly as to the status of this project?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. When the project was initially put forward, the cost was anywhere from \$17 million to \$20 million. That project cost has now increased and ballooned to over \$30 million. We gave the commitment of funding 51 per cent of the original project, of the original program. Recently, through to the hon. member, I met with the mayors of these communities, and I again committed to retain the 51 per cent. So instead of being 51 per cent of \$20 million, it will be 51 per cent of \$30 million at this time.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. To the same minister: given that Alberta has reached a stage of development where we should have a provincial plan for regional water and sewer systems, does the minister favour regional water and sewer systems over single community systems?

Dr. Oberg: Mr. Speaker, as a general rule I think it makes sense. Obviously, there are exceptions to every rule, and I think there are probably some areas in the province where a single system makes more sense. But as a rule the more that we can get together, the safer the water supply, and, quite simply, the larger the economy of scale, the more money that is saved for the taxpayers of this province. As a general rule we like to do that, but I'm sure that there are going to be specific areas where a single water system will make more sense.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. To the same minister: what has his ministry done to encourage development of regional water and sewer systems?

Dr. Oberg: Mr. Speaker, what we have done – I alluded to it in the answer to my first question – is we've increased the percentage of the actual project to 51 per cent for regional usages, and it's around 40 per cent for those that are single usages. Again, it is an important element. It's not necessarily the answer to everything, but it's pretty darn close.

The Speaker: The hon. Member for St. Albert, followed by the hon. Member for Leduc-Beaumont-Devon.

School Utilization

Mr. Flaherty: Thank you, Mr. Speaker. This Conservative government continues to lurch from crisis to crisis, providing partial fixes to problems of their own making. Most recently the government has claimed that it's evolving – not fixing, mind you, but evolving – its school utilization formula that pits community against

community. The latest game of survival of the fittest is being played out in schools like Strathearn, Terrace Heights, North Edmonton, and Wellington. My question is to the Minister of Infrastructure and Transportation. Given that the minister indicated previously in this House that the schools in Edmonton are being closed for the right reasons, does this mean that the current utilization formula is working well for Alberta kids and communities?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. In Edmonton we have roughly, according to our estimates, 160,000 square metres of unutilized space in our school system. That type of space costs money to heat, costs money to utilize, costs money to upkeep. What the Edmonton public school board is currently doing is looking at a rationalization through what they're calling a cluster approach, where they look at a cluster of schools and decide what the best way is for learning opportunities for those kids. I really must say that I commend the Edmonton public school board for their initiative in this. They're actually taking a look at how we can move students around to improve the outcome for the students, and that's, quite simply, the way it should be done.

The Speaker: The hon. member.

Mr. Flaherty: Thank you, Mr. Speaker. Will the minister commit to adopting a school utilization formula similar to our community schools concept in which a partnership with community organizations can help keep schools open and surrounding communities vibrant?

Dr. Oberg: Mr. Speaker, we are open to almost anything when it comes to partnerships. I think that's the key to the future for us in Alberta. It's partnering with our municipalities. It's partnering with our school boards. So the simple answer to that question is that we will take a look at anything.

What I'm attempting to do, though, is to put the onus on school utilization and school operation and maintenance where it should be, which is down with the school boards. So we are looking at a formula that will enhance the ability of schools to respond to the learning needs of their students.

The Speaker: The hon. member.

Mr. Flaherty: Thank you, Mr. Speaker. It's good he's open to ideas.

Mr. Speaker, will the minister commit to a moratorium on school closures pending the announcement of his new utilization formula, just as the government did with increases to postsecondary tuition fees pending the development of a new tuition fee policy?

Dr. Oberg: Mr. Speaker, as I explained, there are roughly 160,000 square metres of unutilized space in Edmonton, and that space is going to cost money regardless. There is no formula that is going to pay for unutilized space, for space that is not being used by students, and I don't think anyone in Alberta expects that to be done.

The Speaker: The hon. Member for Leduc-Beaumont-Devon, followed by the hon. Member for Lethbridge-East.

2:30 International Airport Vicinity Protection

Mr. Rogers: Thank you, Mr. Speaker. The airport vicinity protec-

tion area, or AVPA, regulation for the Edmonton International Airport is currently undergoing a review. The current draft has created a lot of anxiety amongst residents and businesses in my constituency. My question is for the Minister of Municipal Affairs. Can the minister assure this House that the revised regulation, while protecting the viability of the International Airport, will not unduly sterilize lands and stifle growth in Leduc and the surrounding areas of Leduc county?

The Speaker: The hon. minister.

Mr. Renner: Well, thank you, Mr. Speaker. The issue of the airport vicinity protection area is not a new issue. In fact, the review that is under way now is having a look at a policy that's been in place since 1981. The purpose of these plans is to allow for a co-ordinated development approach between the airport and the municipality, and it certainly is not the intention of the regulations under review to sterilize any land from future development.

The Speaker: The hon. member.

Mr. Rogers: Thank you, Mr. Speaker. My supplementary to the minister: will the minister commit to further public input from stakeholders prior to the finalization of the new regulation?

The Speaker: The hon. minister.

Mr. Renner: Thank you, Mr. Speaker. Well, as the member knows, public meetings have been recently conducted on this particular review. Those meetings resulted in some very valuable input from a number of stakeholders. That input is now under review. It will be reviewed with the city of Leduc, the Airport Authority, and other municipalities within the affected region, and they will then have an opportunity to revise the proposals that are under way.

The Speaker: The hon. member.

Mr. Rogers: Thank you, Mr. Speaker.

head:

Recognitions

The Speaker: Hon. members, in a few seconds from now I will call upon the first of seven members today to participate in Recognitions.

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

PCL Construction

Mr. Danyluk: Thank you very much, Mr. Speaker. For the last 100 years Alberta has been host to a great number of companies and organizations that have helped build Alberta into the province that it is today. One such company has also been around since the very beginning. PCL Construction will be celebrating its 100th anniversary in 2006.

In the first three months of 2005 PCL has already received a number of awards: declared one of Canada's top 100 employers for the fifth consecutive year by Hewitt Associates; ranked 10th by the *Globe and Mail's Report on Business* of the 50 best companies to work for in Canada; acknowledged as one of Canada's 50 best-managed companies for 2005; a Platinum Club winner by Deloitte & Touche, CIBC, Queen's School of Business, and the *National Post*; awarded the Canadian Construction Association's 2004 national safety award and 2004 general contractor award of excellence. The CEO, Ross Grieve, received recognition with the University of Alberta's School of Business 2005 business leader award.

I congratulate PCL for all of their accomplishments, and I encourage all the other members to bring forward and recognize all of Alberta's success stories as we celebrate. Alberta is very fortunate to have a company of PCL's calibre.

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

Tartan Day

Ms DeLong: Thank you, Mr. Speaker. Alberta has become home to families from all the nations of the world. My own family's ancestors include Langs, McCrays, and Crawfords from Scotland, so it's an honour for me to address this Assembly today, April 6, to recognize Tartan Day across this province, this country, and many parts of the world.

Tartan Day is celebrated to commemorate the signing of the declaration of Arbroath, which is also known as the Scottish declaration of independence, on April 6, 1320. This important day in history has been recognized by many around the world as one of the earliest expressions of the right of humanity to a peaceful and productive life which is free from oppression. This is, therefore, a significant day for Scots and non-Scots alike.

Tartan Day also gives us an opportunity to recognize the tartan as a symbol of Scottish culture and Scottish clans. I have prepared commemorative ribbons which consist of traditional Scottish colours pinned with an Alberta coat of arms pin to symbolize the recognition of this proud day for Scots in Alberta. I hope that all members wear these pins proudly and that the members of this Assembly join me in recognizing this important day.

Thank you.

The Speaker: To the hon. members for Lethbridge-East and Edmonton-Mill Woods: you each have an additional 30 seconds.

The hon. Member for Little Bow.

Under-18 International Curling Championship

Mr. McFarland: Thank you, Mr. Speaker. This past weekend in Calgary at the North Hill curling club and the Calgary Curling Club the 2005 Optimist Under-18 International Curling Championship took place. Fourteen male and female teams took place in the tournament, and the team representing Alberta won gold after a thrilling 7 to 5 victory over the team from Ontario.

Our Alberta team was made up of players from the Lethbridge Curling Club. The team is comprised of skip Casey Scheidegger from Diamond City, third Katie Wilson from Coaldale, second Jennifer Coutts from Fort Macleod, and lead Jessie Scheidegger, also from Diamond City. Their coach is Don Scheidegger, who is the father of two of the young girls.

Mr. Speaker, I along with the hon. minister from Lethbridge-West and the hon. minister from Livingstone-Macleod, who also happens to be the very proud uncle to one of these team members, would like to say congratulations on a job well done to the Scheidegger rink.

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

Jessica Robertshaw

Mr. Rodney: Thank you, Mr. Speaker. I rise today to recognize a brilliant young constituent of Calgary-Lougheed, Miss Jessica Robertshaw. Jessica has won awards in 15 speech competitions and placed in over 30 debate tournaments both as an individual and as a team member.

Recently this grade 12 student from Bishop Carroll high, which is

a school I was fortunate to teach at in my prior career, won the CanWest National Public Speaking Championships in Winnipeg, and this past Sunday at a speech and debate tournament in Cyprus she was named the third best speaker overall out of student champions from across the globe, and she captured the title as the best young impromptu speaker in the world.

In addition to all of this, Jessica has starred in several school drama productions, and she volunteers with the youth justice committee in Calgary southwest. I'm very proud to have Jessica Robertshaw in my riding, and I trust that all hon. members will join me in expressing appreciation for this incredible young Albertan.

Thank you.

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

Alberta's Promise

Mr. Liepert: Thank you, Mr. Speaker. Alberta's Promise is a movement to do more for Alberta's children and youth, and this movement is growing at a rate beyond expectation. In Calgary last Friday and then here in Edmonton yesterday the Premier, Mrs. Klein, and the Minister of Children's Services presented 128 new partners with their little red wagons to recognize their commitment to increase their support for children and youth programs. This brings the total number of Alberta's Promise partners to 246.

Mr. Speaker, the Alberta government made a promise to Alberta's children in 2003. This centennial year is the time to renew our commitment to the Alberta's Promise movement and to the children of Alberta. It is with pleasure that I ask the Assembly to recognize the 128 new Alberta's Promise partners, who have committed to making Alberta the best place in the world to raise our children and our youth.

Thank you.

The Speaker: Well, I appreciate the comments from the hon. Member for Calgary-West. From his training as a radio man in the past, he understands completely what a minute means. Well done.

The hon. Member for Lethbridge-East.

2:40

LaBelle Triplets

Ms Pastoor: Thank you, Mr. Speaker. It is my pleasure to rise and talk about a much lighter subject than we would normally discuss in the House. I speak of a phenomenon of nature that occurred in my constituency of Lethbridge-East, and I would like to inform this Assembly of that phenomenon and congratulate and recognize the people involved as I am also sure that I share this congratulatory message with my colleague across the way from Lethbridge-West.

On March 21, '05, Kevin and Karrie LaBelle had triplets: Emma, Olivia, and Samantha. The babies are all doing fine, and Emma, the last one, went home today. All is well. However, perhaps the parents may question that. The triplets also have an older brother, Cameron.

I would suspect that they may be the only triplets in this province for this year, the first in the next hundred years of this province. We can only guess at the changes that they will see in their lifetime.

Thank you.

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

Birth to Three Society

Mrs. Mather: Thank you, Mr. Speaker. It is with pride that I bring recognition of the Birth to Three Society of Edmonton to this

Assembly. All children deserve a successful start in life. For some children, especially those with developmental delays, early support makes a tremendous difference.

Edmonton's Birth to Three Society offers two excellent programs to help these children and their families, the Edmonton early intervention program and the early Head Start. These programs have served over 700 children and their families in the Edmonton area to improve the quality of life by providing parents with resources and skills to enable their children to reach their full potential, individual screening and family support plans, information and education through regular home visits and parent sessions, occupational therapy, and speech language pathology consultation through Capital health.

There is no cost to families for the services provided. Partial funding is received from Capital health and the Edmonton and area child and family services authority. Additional funding is acquired through grants, sponsorships, and fundraising.

It is my hope that the members of the Assembly will join me with pride in recognizing the Birth to Three Society.

Vignettes from Alberta's History

The Speaker: Hon. members, our historic comment of the day. On April 6, 1967, George Brinton McClellan, former commissioner of the Royal Canadian Mounted Police, was named Ombudsman of Alberta. Not only was Mr. McClellan the first Ombudsman of Alberta, but he was also the first Ombudsman in Canada.

head: Presenting Petitions

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

Mr. R. Miller: Thank you, Mr. Speaker. I rise today to present a petition signed by 103 Albertans, and it 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.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Speaker. I, too, rise to present a petition, which reads that the undersigned, which number 107, petition the Legislative Assembly to urge the government of Alberta to "prohibit the importation of temporary foreign workers" when in fact we have a large glut in our unemployed in Canada.

head: Tabling Returns and Reports

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

Mr. Eggen: Thank you, Mr. Speaker. I have three documents to table today. First I would like to table the appropriate number of copies of a letter signed by over 150 Albertans urging the government to "recognize the importance of community schools and to make proper investment to protect the long term viability" of community schools.

The second is a news release distributed by Martha Kostuch regarding EUB proposals that will weaken the enforcement policy of that institution.

Finally, I have an EUB bulletin dated March 21, 2005, which outlines the EUB proposals that I just mentioned.

Thank you.

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

Mr. Chase: Thank you, Mr. Speaker. Today I have three tablings from my Calgary-Varsity constituents urging the government not to water down the smoking ban legislation. Dr. Liam Martin of the University of Calgary's Faculty of Medicine states: "It is time to ensure that Albertans have the same opportunity to work in a smoke-free environment as other members of the Canadian population."

In e-mails received from Bistrin Opacic and Floyd Paxman, the authors point out that by only protecting youth under 18, the province is compromising the health of the majority of Albertans.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Community Development.

Mr. Mar: Mr. Speaker, thank you very much. I wish to table the appropriate number of copies of a letter dated April 6, 2005, from me and addressed to the hon. Member for Edmonton-Ellerslie in response to a question that he raised yesterday in the House that I undertook I would provide him an answer to.

Thank you.

head: Orders of the Day

head: Government Bills and Orders Second Reading

Bill 31

Real Estate Amendment Act, 2005

[Adjourned debate April 5: Mr. Stevens]

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

Mr. Backs: Yes. On this particular bill, Bill 31, Mr. Speaker, the relevant stakeholder groups have been consulted. We found that there has been very little to speak against this bill, and we stand in favour of it, and I support this bill.

The Speaker: Standing Order 29(2)(a) is available.

Additional speakers?

Would the hon. Government House Leader like to conclude debate on this bill? Then the question will be called.

[Motion carried; Bill 31 read a second time]

Bill 34

Insurance Amendment Act, 2005

[Adjourned debate March 24: Mr. Oberle]

The Speaker: The hon. Member for Peace River.

Mr. Oberle: Thank you, Mr. Speaker. I had addressed my comments prior to adjourning debate, and I'd be pleased to listen to the learned comments of members from all sides of the House.

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

Mr. R. Miller: Thank you, Mr. Speaker. It's my pleasure to rise today to lead off the debate for the Official Opposition on Bill 34, the Insurance Amendment Act, 2005. The mover of this bill, the

hon. Member for Bonnyville-Cold Lake, has indicated twice now, I think, both in his opening comments and when he spoke to second reading, that the government is following through with commitments that it made last fall to reform automobile insurance in Alberta.

It would be my representation that, in fact, what is meant is that the government is trying desperately to fix the mess that was created by the Premier. While his Minister of Finance at the time was in the middle of negotiations and consultations to reform auto insurance in this province, the Premier said that Albertans would have the lowest insurance rates in western Canada, and he ordered an immediate rollback. As a result, he left the industry and the ministry scrambling trying to make that happen. Mr. Speaker, you and I and, I think, all Alberta drivers know that this has not occurred, and in fact many believe that the reforms have been a disaster for the average Alberta driver.

Mr. Speaker, one of the so-called highlights of this bill is that it will open up the Alberta market to public auto insurance companies from the neighbouring provinces of B.C., Saskatchewan, and Manitoba to set up shop and sell auto insurance in Alberta. I would suggest that this is a good step, albeit a very small step, in the right direction. However, the reason I refer to it as a so-called highlight is that, in fact, these public insurers have already indicated that they are not likely interested in operating in Alberta under the current conditions.

2:50

It's quite clear to most that would look at it, I believe, that in fact public auto insurance operates successfully under the monopoly situation that we see in those three provinces that I mentioned earlier. The fact that they have a monopoly is what allows them to be successful both financially and administratively. As I've already said, all three indicated that under the current circumstances they're not likely to even consider coming into Alberta.

Now, I'd just like to point out that if we look at the situation in British Columbia as an example, the Insurance Corporation of British Columbia, ICBC as it's more normally known, operates using a tort system without any artificial caps on injuries, Mr. Speaker. In the business year ended December 31, 2004, they declared a net income of \$389 million. Of this \$389 million, they use that profit to build their retained earnings, they use it to enable a low and stable rate of auto insurance, and they actually spend millions of dollars – now, this is the insurance company – on safety education and accident prevention initiatives. [interjections] Mr. Speaker, I thought that I had the floor, but perhaps some members across the way feel differently. I'm not sure.

Mr. Speaker, the province of Alberta continues to promote and support an open market that favours the industry, yet when it comes to the consumer, we've adopted a modified no-fault system that seems apparently to penalize the victims of accidents by failing to provide adequate claims compensation. In fact, in meeting with Kathleen Ryan of the Alberta Civil Trial Lawyers Association, she has indicated that she believes we probably have the worst possible combination of those two systems.

The government continually claims to be doing what is in the best interest of Albertans, and it would be my belief and certainly that of my caucus colleagues that if, in fact, we want to do what is in the best interests of all Albertans, we should be looking seriously at instituting a fully public auto insurance system modelled after the British Columbia example; in fact, ICBC, which has for many, many years provided both stable, low auto insurance rates and very reasonable claims under their tort system.

I'd just like to speak to the claims, Mr. Speaker, because when the \$4,000 cap was introduced on soft tissue injuries in Alberta, one of

the arguments we heard time and again from both industry and the government was that claims were spiralling out of control. I look at the example that's coming from B.C. In the year 2004 their claims were a total of \$2.5 billion, which is roughly the same as they were in the year 2003. Certainly, it would appear to me that with a well-managed and well-legislated public auto insurance system – that is, a fully public auto insurance system – there's very good control of the claims history. It certainly seems to work both in terms of protecting the insurance company and also, as I suggested, protecting the consumer.

The controllable costs that the ICBC had in the year 2004 were actually 25 per cent lower than they were in the year 2000. Again, this is where the economies of efficiency are recognized, when you have a single public insurance company operating with a monopoly as opposed to inviting them to come in and operate under the current Alberta system, which really doesn't present much of an opportunity for them and, as I indicated, we're not likely to see.

Now, I mentioned the claims cap of \$4,000, Mr. Speaker. I have had so much correspondence to my constituency office both from constituents and from Alberta drivers across the province who are outraged, quite frankly, at the profits that we're hearing about in the insurance industry at the same time as they've been limited with this artificial cap of \$4,000 on soft tissue injuries, which even the medical community acknowledges are quite difficult to substantiate. So I really, really question the rationale for that to begin with.

Mr. Elsalhy: An arbitrary number.

Mr. R. Miller: It is, as my colleague from Edmonton-McClung has suggested, a very arbitrary number.

Another thing that the mover of the bill indicated when he spoke to it in second reading is that the legislation as it's presented to us now will clarify some of the rules regarding the all-comers rule in that they specifically only apply to private automobiles. Mr. Speaker, I think I mentioned in this Assembly the other day that as a small businessperson I have serious concerns as to why all of this legislation is applying only to private automobiles, and we seem to be ignoring small business, which is truly the backbone of the economy in this province.

I can certainly suggest, as an owner of a small business who has some experience with these matters, that the cost of auto insurance is one of those costs that has been literally spiralling out of control for small businesses over the last several years at a rate much higher than the 3.17 per cent rate of insurance that was reflected in the members' services allowance increase that we received from this Assembly the other day. In fact, most of the businesses that I've consulted with are experiencing somewhere in the area of 20 to 25 per cent increases in their auto insurance over the last several years. So this is a serious concern, and I would suggest that we should be doing something in this legislation to help out small business as well as the owners of private automobiles, Mr. Speaker.

Now, probably the most contentious part of this bill in my mind is section 5, where the government takes the almost unprecedented step of legislating against action brought to it by anybody in this province. I note in the press release that was done by the ministry that they talk specifically about outlining that insurance companies are not entitled to compensation for revenue losses caused by the government's premium freeze. In the press release it specifically says that they're referring to insurance companies, but when I read from the bill, section 5 of the bill is much, much more broad than that and, in fact, causes me untold concern. I was shocked, quite frankly, Mr. Speaker, when I read this.

Mr. MacDonald: Appalled?

Mr. R. Miller: I was appalled. I was shocked. I was more than dismayed.

Clause (2) under section 5 says, “No liability attaches to the Crown for any loss or damages that have arisen or may arise in respect of the reform amendments.” And then it gets even worse, Mr. Speaker, because in clause (3) it says, “All existing and future causes of action in law or in equity against the Crown in respect of the reform amendments, including, without limitation” a specific action number “are extinguished without costs.” But the first part of that clause says, “All existing and future causes . . . against the Crown.” All. It doesn’t say all brought by insurance companies. It says all.

What that would indicate to me, Mr. Speaker, is that anybody who might be contemplating bringing an action against the government for any reason related to the reforms of the insurance industry have now had their right to the courts taken away from them if we pass this legislation. It is, as I suggested, almost unprecedented in Canadian legal history that a Legislature would pass a law like this and get away with it, if I can use that terminology.

The research that I’ve been able to do to this point would indicate that only twice in the history of this province have we specifically legislated against an entire group of people bringing a legal action against the government. I have to admit that I had some trouble finding out the second of those. At this point I don’t know which it is, but the one that certainly causes me to recall the events surrounding it was in the late 1990s.

3:00

A group of sterilization victims that had been resident at Michener Centre in Red Deer had brought action against the Alberta government for the fact that they had been sterilized and not informed of that action in their adult life. The Alberta government moved to legislate against their claim. This caused a huge uproar, Mr. Speaker, to the extent that within a matter of hours, literally a matter of hours, the Premier backpedalled, and the legislation eventually disappeared and was not brought forward.

I’m not going to suggest for one second that in this particular case an insurance company or any other insurance company that might bring forward an action would garner the same level of sympathy and probably shouldn’t garner the same level of sympathy that those sterilization victims did from the public, but I think the principle is exactly the same, Mr. Speaker, in terms of legislating against somebody’s right and access to the courts.

Now, I’ve had opportunity to consult with, I mentioned earlier, the Alberta Civil Trial Lawyers Association and also with some legal representation for the company that is cited specifically in section 5. Mr. Speaker, I’d just like to refer to my notes that came out of that meeting. I think I mentioned already that I certainly believe and it would be the representation of the legal firm representing Kingsway that this particular section of Bill 34 is designed particularly to save the government and the Premier the embarrassment of having announced a rate freeze without first consulting the Minister of Finance when she was in those negotiations that I referred to earlier with the industry. In fact, I believe that announcement from the Premier was made without any real thought to the legal implications that might result as a result of his demand for a rollback.

I’m not here to make the legal argument for Kingsway. Certainly, that matter is going to proceed at some length in the courts, but it would seem to me that by naming a particular action, it’s quite clear that the government is in fact aiming clause 5 at one particular company. Again, Mr. Speaker, as the owner of a small business I

was beyond shocked to see that the government of this great province would specifically name a company and, to quote the bill, extinguish their action. This is an action that has been on the books and in front of the courts now for 14 months, well before the Premier made his comments about a rollback.

I think this is something that should concern not just the representation for Kingsway, not just the members of this Assembly, not just the owners of small businesses in this province, but every single Albertan I really believe should be very, very concerned by the fact that we have an example here of the government legislating the end to a legal action that was in place prior to the government making changes to a law.

As I said earlier, I’m not a lawyer. I don’t necessarily understand a lot of the legal implications here, but I can’t imagine as a citizen of this province that my government, which I now find myself a part of, would take what is almost an unprecedented step in the British parliamentary system to legislate against an action that I have legally brought forward prior to changes that that Legislature would make and then extinguish it and, in fact, extinguish not just the action but all costs that might be associated with it.

Mr. Oberle: Point of order.

The Speaker: The hon. Member for Peace River on a point of order. Proceed.

Point of Order Sub Judice Rule

Mr. Oberle: Mr. Speaker, with respect to the hon. member I refer you to Standing Order 23(g), which prohibits against the mention of “any matter pending in a court or before a judge for judicial determination.” It says, “Where there is probability of prejudice to any party but where there is any doubt as to prejudice, the rule should be in favour of the debate.” I submit that by mentioning the company name and dragging on, as it were, and repeating the government’s unprecedented actions, we’re bordering on prejudice here. I would ask the Speaker to caution the member.

The Speaker: The hon. member on this point of order.

Mr. R. Miller: Thank you, Mr. Speaker, for the opportunity to speak to the point of order. I think that under normal circumstances my hon. colleague might be correct. Unfortunately, as I’ve indicated, I don’t view this as a normal circumstance. In fact, I view it as an extraordinary circumstance to the extent where, although the name of the company is not mentioned in here – and I can certainly refrain from using the name of the company – the specific action is referred to in the legislation. I do believe that that qualifies as an exceptional circumstance in this case, and certainly if the action number is referred to in the legislation, then I don’t see why I should be limited in speaking to that particular action in my comments when I’m referring to the bill.

The Speaker: Hon. Member for Peace River, we’re not going to have a long debate on this. You’re still on the point of order. That’s fine. Go ahead.

Mr. Oberle: If I may, I just want to point out yet that the company is not named. The action number is named in the legislation. The fact that it’s, according to the member, unprecedented, although it’s not – it’s not mentioned in the legislation, nor is any of the ensuing debate mentioned in the legislation. As I said previously, I believe we’re bordering on prejudice here.

The Speaker: Well, hon. members, it certainly is opportune and correct for an hon. member to rise on a point of order should the member feel moved, and Standing Order 23(g) is very clear. It says, "Refers to any matter pending in a court or before a judge for judicial determination." There are two subsections to it. One is, "Of a civil nature that has been set down for a trial or notice of motion filed, as in an injunction proceeding, until judgment or from the date of filing a notice of appeal until judgment by an appellate court," and then, "Where there is probability of prejudice to any party but where there is any doubt as to prejudice, the rule should be in favour of the debate."

So before the chair today are two hon. members, the word of whom, both, the chair must accede to. The hon. Member for Peace River suggests that there could be prejudice. The hon. Member for Edmonton-Rutherford suggests that there could not be prejudice. The chair has to accept both views as both members are honourable, but we'll exercise a caution and rule in favour of the debate continuing.

Debate Continued

Mr. R. Miller: Thank you, Mr. Speaker. It would be a suggestion that has been made to me by several of the legal consultations I've had that, in fact, section 5 violates the rule of law by depriving access of one particular company but not just that one particular company but by depriving access of all to the courts for the taking of their property. In fact, I understand that there may be a constitutional argument here as well.

As I've indicated earlier, if the government can do this in this one particular action that it references in the bill, it can do it to anybody. It could do it to me. It could do it to you, Mr. Speaker. It could do it to the company that I own. It could do it to the company that my colleague from Edmonton-McClung owns. It could do it to anybody in this Assembly, anybody outside this Assembly. That is really the argument that I'm making today, that we are taking a step here that I believe crosses the line in terms of the rule of law but probably more importantly just the rule of common sense. To suggest that anybody should be barred from a rightful action in front of the courts just doesn't make any sense to me.

3:10

Now, I wonder as well, Mr. Speaker, if this particular clause might not be bad for business in Alberta. When any given company might be looking at moving to Alberta, we always talk about being, you know, the best place in the world to do business. I don't necessarily disagree with my hon. colleagues when they throw that out and when they talk about the Alberta advantage. At times we have certainly questioned who the Alberta advantage is for. Nevertheless, it is a pretty darn good place to do business, certainly a great place to live, and we want to make sure that we do everything within our power to attract more business and make sure that companies look at Alberta as a great place to locate.

When companies start to see that if they were ever to bring an action against the government for any reason whatsoever, the government may just pass legislation that would invalidate that action even if, in fact, it was brought forward on a matter that was subsequently changed in legislation, they could have their action quashed, they could have their right to the courts quashed, and they could have their costs stripped away from them – I believe that that will seriously harm the so-called Alberta advantage when companies are looking to us as a place to potentially open up their business.

The Speaker: Others? The hon. Member for Edmonton-McClung caught my eye first.

Mr. Elsalhy: Thank you, Mr. Speaker. I want to take this time to briefly comment on Bill 34, the Insurance Amendment Act, 2005. I listened very carefully to the remarks that were made by the hon. Member for Edmonton-Rutherford, and I would have to say that although he is my caucus whip, he didn't really require me to agree with him, but I totally agree with him because he made darn good comments. He made sense to me.

To start, I would emphasize that my understanding of this bill when I read it – and I read it very briefly. The first thing it's trying to do is to open the door for those extraprovincial insurance providers to enter into this lucrative Alberta auto insurance market. While I admit, like the hon. Member for Edmonton-Rutherford commented, that competition is usually viewed as healthy and useful, I am, in fact, a little puzzled. How will the private-sector companies from within Alberta or from outside compete amongst themselves to offer public auto insurance in Alberta? Are we talking public delivery of auto insurance, or are we talking private, for-profit auto insurance mechanisms? Is this government still expanding its current deregulated, charge what you can get market design, or are they backing off a little and trying to reinstate some degree of public control? I think this is a point that needs clarification so Joe Average out there or Martha and Henry would understand.

My simplistic definition of public auto insurance is that the government allows competition, yes, but stipulates acceptable or maximum ceilings to premiums, allowable profit margins. We've heard of that report – some of us actually read that report – that detailed the profits that were posted and the earnings that were made by the insurance companies in this province, and they were able to recover their costs and pay all their claims and then have 20 per cent of pure profit on top of that. We're not really against the private sector, and we're not against market forces, but we're really against extravagant or exaggerated profits when the public is not seeing any of that benefit.

With opening the door for out-of-province companies to enter our market, I need to be reassured that this competition would in fact lead to better service or more choice or more affordability. I would hate for it to be a mechanism by which we're opening the door to offer the consumers choice, but we're offering them a choice to either die by the electric chair or by the guillotine or by lethal injection. I don't think that this government will be able to demonstrate to us the insured or the public or the policyholders how this may be beneficial to us and to our pocketbooks. Again, I keep emphasizing that I'm not against those extraprovincial insurers moving into Alberta. In fact, I would probably be the first one to welcome them at the border with open arms if they bring insurance costs down and if they offer better service or more choice for the taxpayers and the consumers of this province.

The Official Opposition, of course, supports or prefers a public auto insurance approach – and this is well known and documented; I'm not saying anything new – while this government does not. They prefer the current deregulated model. Some people agree with the government, but I believe most don't. This could probably be easily verified with a simple yes/no survey if the government is really serious and sincere about asking for input and seeking guidance and direction from the people.

Now, having said that, I think what is really alarming about this proposed piece of legislation, as was talked about by the hon. Member for Edmonton-Rutherford, is that it stipulates that insurance companies and the public are not entitled to sue the government for costs or damages incurred from or because of this Conservative government's auto insurance reforms. I know the hard-working *Hansard* staff would probably question that, but I'm going to spell it for them. It's d-e-f-o-r-m-s, so it's deforms.

This is serious business, ladies and gentlemen. If we allow a governing party to rule and dictate how we lead our lives, how much we spend, and which services are available to us, then I think that the least we could do is to hold them accountable. They have to answer to the people. They have to explain their actions.

I'm going to use a business model like my hon. colleague from Edmonton-Rutherford used. Let's assume that this is a company. Then the public represents the shareholders of this company. The cabinet, or the various government ministers, would represent the directors of this company. They're entrusted as leaders, as powerful people to lead and to make decisions and try to make our lives easier.

Now, if those directors misbehave or make the wrong decisions or if the shareholders start to lose on their investments, then these very directors are either questioned, disciplined, or ultimately fired. This proposed amendment though, much to my surprise – or, really, I shouldn't be at all surprised – immunizes the government from having to answer to the people. It negates the very essence of being accountable and responsible.

A couple of weeks ago and then also as late as yesterday we were debating right here in this Assembly and under this dome the amendments proposed to strengthen our fair trading provisions so that the people out there don't fall prey to unscrupulous business practices. We were offering victims of fraud, for example, a tool to have some recourse and possibly get some compensation.

Here, on the other hand, the government is telling insurance companies and the general public that if they disagree with the current deforms or if these companies and people were hurt by these decisions, they do not have any recourse. They cannot touch the government. The government is untouchable. How many times was it okay or allowable for any government to hide behind a cloak of legislation to protect itself from liability which is clearly stemming from its own ill-advised decisions?

Now, to generally comment on the insurance landscape in Alberta, almost every single Albertan is insured for something or another. Insurance companies, of course, are very important, and they play an integral role in day-to-day transactions be it home insurance, auto insurance, business insurance, malpractice insurance, et cetera. But, again, the outrageous profits that they have been bringing in and the ridiculous or minuscule so-called rebates or rollbacks that they give back to the consumers definitely and clearly highlight an injustice.

I for one have been driving for almost 11 years, a clean record, no accidents, good driving habits. My premiums kept creeping up. Then finally when I did get a rebate, it was really a joke, but I wasn't laughing. I got less than \$5 per year.

Mr. R. Miller: How much did you get?

Mr. Elsalhy: Five dollars of rebate per year. That was, like, good for a coffee and a doughnut. [interjection] Well, I have to walk now.

Many people share this concern, Mr. Speaker, but they feel helpless and abandoned. I am luckier than most. I can stand here and talk about it. Most out there are really helpless, and they have no avenue for expressing their disgruntlement and their frustration.

Maybe we should be open to the suggestion that these so-called government reforms were ill advised, or perhaps the way they were administered or implemented was contrary to public interest and definitely contrary to public opinion. I will be the first person standing in line to congratulate and commend this government if they genuinely and honestly decide to revisit their position on auto insurance. Voluntary rate rollbacks, as is preferred by the hon. Minister of Finance, the Deputy Premier, in my opinion, sound like a bad joke and certainly are not entertaining.

3:20

I will end, Mr. Speaker, with something I found in this bill which is positive, and by that I'm referring to the consumer dispute mechanism that is being introduced. I have advocated previously, before and after I became a member of this esteemed Assembly, that we have to facilitate conflict resolution and dispute solving in all government departments so that our taxpayers and citizens are not forced to resort to the legal system and the courts unless absolutely necessary and as a measure of last resort. So this is one area that is positive about this bill, introducing that consumer dispute mechanism, and I commend the sponsor for having this section in there, which sort of offers a little sweetness about a bad deal.

I will now take my seat, Mr. Speaker, and thank you for this chance to register my opinion.

The Speaker: Hon. members, Standing Order 29(2)(a) is available. The hon. Member for Edmonton-Highlands-Norwood on Standing Order 29(2)(a)?

Mr. Mason: Yes, Mr. Speaker. I'd like to ask the hon. Member for Edmonton-McClung a question. He said in his comments today that he and his colleagues have support for market forces in the insurance industry but that they are opposed to the excessive profits that have been taken by the insurance industry. During the previous term of this Assembly the Liberal opposition adopted a strong position of support for public auto insurance, and that, in fact, formed part of their platform during the most recent election. I'd like to ask the hon. Member for Edmonton-McClung if that is still the policy of the Liberal Party.

Mr. Elsalhy: Yes, sir, in fact it is. By accepting market forces and by encouraging competition, we are in no way going back on our dedication and our commitment to having a public auto insurance system in this province.

What I said in my presentation, my debate on Bill 34, is basically that I would welcome any competition that results in rate reductions. If we're allowing companies to try to offer choice and to offer reduced rates for Alberta drivers, then why not? Public auto insurance has enough room for private providers if they fall under that ceiling which I referred to, the allowable maximums, the reasonable maximums, because 20 per cent on top of their claim expenses and on top of their typical operating expenses is really outrageous.

So, yes, we are committed and we are dedicated to having a public auto insurance system in place. We said that before the campaign, during the campaign, and after the campaign.

Thank you.

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

Mr. Mason: Thank you very much. A follow-up, Mr. Speaker. Given that the position, as I understood it, of the Liberal Party as well as the New Democratic Party in the last election was that public auto insurance meant that, in fact, the public system had a monopoly on the sale of automobile insurance in the province, how does the private sector and the market forces allow that? How can you have a public monopoly system and private competition at the same time?

Mr. Elsalhy: That's a fair question, and I think I can probably borrow from the Minister of Finance when she said that we have some 70-plus companies offering insurance. If these companies are looked at as brokers or as resellers, then we can probably allow them

to resell the commodity under a fully public system. So I don't think there is any contradiction in my approach to the registered Liberal Party platform. They are here. We can't really deny that they're here, and they're probably here to stay, so what we can do is make them work under a fully public system.

The Speaker: The hon. Member for Edmonton-Rutherford on the Standing Order 29(2)(a) section.

Mr. R. Miller: Thank you, Mr. Speaker. I'd just like to ask my colleague from Edmonton-McClung if what he meant to say is that we would prefer to see a fully public auto insurance system in this province? If for some reason we can't convince the government that a fully public . . . [interjections] I said if for some reason – if implies a question mark at the end. If some for reason we cannot convince this government that fully public auto insurance is the best system, if he meant, then, that we would accept public auto insurance if it will help to reduce premiums, which is really what this debate is all about.

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

Mr. Elsalhy: Yes, sir. The hon. members across are probably following this with keen interest because now we have both opposition parties trying to reiterate and reconfirm their positions from after the campaign. Yes, sir, we would really prefer to have a fully public auto insurance system, as we do prefer to have a fully public health care system, and as we do, you know, not prefer to have schools closed, those ill-advised decisions that the government keeps bombarding us with.

However, like I say, failing that, and if the government keeps adamant about rejecting our positions and our suggestions and insists on going about with their typical approach and their preferred way of doing things, then we have to be realistic, unlike the ND opposition, which doesn't even accept suggestions of different points of view. I think we have to modify our approach to some extent.

The Speaker: Additional speakers? The hon. Member for Edmonton-Mill Woods.

Mrs. Mather: Thank you. I'm pleased to have this opportunity to speak to Bill 34, the Insurance Amendment Act, 2005, because this is very important to Albertans. I have a friend who was ticket free with an older vehicle but experienced two small increases in premiums since the provincial freeze on rates was applied. In both cases he managed to get the increase rescinded by waiting on the telephone for over an hour to get a review. The review supported his concern about increases in his premiums. My point is that the insurance companies may become as irresponsible as other monopolies in applying rate increases and charges across the board and expecting consumers to justify why they should not be charged rather than justifying their increases before the fact and clearly communicating to the consumer.

That made me take a look at this bill as carefully as I could in the time I had, and I'd like to make a few points about some sections that are proposed in this amendment that I do not support, although I realize that there are a number of points which deserve serious debate.

I oppose this bill because the government would be allowing Crown insurers – B.C., Saskatchewan, and Manitoba – into this province, but this policy does not address the root of the insurance problems. As former president of the Alberta Civil Trial Lawyers Association Kathleen Ryan argues, competition will not resolve the

serious problems associated with the small claims cap of \$4,000, competition will not address the obscene profits made by this industry on the backs of Alberta drivers, and competition will not improve driver safety policies in this province. As one who has experienced injury due to a car accident, I can say without a doubt that \$4,000 is not adequate in many cases of injury.

I, too, question section 5, the Crown immunity and the use of the word "all." This section exempts Albertans and industry from seeking compensation from the government for its auto insurance reforms. Preventing access to the court borders on criminal contempt of court. I believe section 5 can only be bad for business in Alberta. Out-of-province companies will be reluctant to invest more in Alberta if they can't sue the Alberta government for its wrong against them. Existing Alberta businesses, too, should take warning because the government can punish them if they are displeased with it. If the government of Alberta has caused anyone compensable damages, it should abide by the decision of the Court of Queen's Bench of Alberta in order to preserve the honour of the Crown and the confidence of the business community.

3:30

These reforms should be debated in the Legislature and not behind closed doors in regulations. The government appears, I think, to be clearly favouring insurance companies on the backs of Alberta consumers. For example, the Automobile Insurance Rate Board is dominated by industry executives seven to one, and the AIRB has made the premium reductions voluntary reductions, and the minister is abiding by their recommendations.

We need to clean up this auto insurance mess. Unlike the poorly managed existing policy in Alberta, this government should develop an auto insurance policy that puts consumers first with real choices.

Thank you.

The Speaker: Hon. members, Standing Order 29(2)(a) is available. Then I'll call on the hon. Member for Edmonton-Calder.

Mr. Eggen: Thank you, Mr. Speaker. I rise this afternoon to speak on Bill 34 with some hesitation. I'm finding that amongst all the bills that we've seen here this spring, this one certainly is one of the most, sort of, ad hoc and confusing of the legislation that we have to deal with here.

I think it's, quite frankly, a reflection of how poorly the Alberta government has dealt with the insurance issue here in the province over the last few years. This is another stopgap measure, I believe, to try to make some small attempts at regulation, but I would say that these are regulation without responsibility, Mr. Speaker. You know, regulation without responsibility is simply words and idle things on paper as opposed to anything substantive. I think that, really, Bill 34 as it stands is not deserving of support.

Just looking through various sections of the bill, Mr. Speaker, I think this idea of disallowing companies to sue for loss of revenue from this legislation is certainly a way to cover the legal options, but you know it's a reflection of just how on the fly this sort of legislation seems to be. In other words, it's being created as a reactive measure as opposed to proactive in trying to solve the problem of auto insurance, which has been, quite frankly, a blight on the people of Alberta for a number of years.

[Mr. Shariff in the chair]

I think it's worthy to note that everyone here knows as an elected member that auto insurance was a big issue in this past election, and by now refusing to deal with it in any substantive way, I think that

it's only going to compound the problem and make it worse. Rest assured that I don't think the Conservative government managed to pick up any seats or votes as a result of insurance, and, you know, I think it only can get worse.

I think it's a basic tenet of any government that if you have a law in place where you are obliging the population to have insurance, to have a certain commodity, then it's the responsibility of the government to provide an affordable, reliable, and functional system that they can plug into. You cannot simply tell people that they need auto insurance, and they require it by law, but then throw them into an extortionate market where they are not being served either through the premium rates that they have to pay or by the claims that you're running through the system. Let's not forget that, you know, we're all mostly fortunate to not have to take claims, but if you do have a catastrophic event with your vehicle, then, you know, that insurance is the very most important thing that you own.

So by not having consistency, by not providing the ability for someone who has had a catastrophic event to properly go and go through a due process and get the compensation that is fair to them, then, really, we are doing less than a disservice. We are providing the potential for disaster of anyone who has a catastrophic event with their vehicle here in the province at this time. So I know that there are various solutions out there.

One of the things I find the most insulting, quite frankly, about this Insurance Amendment Act, Bill 34, is allowing the idea of public auto insurance to be entering into the marketplace but not visiting the true spirit of what public auto insurance means. Public auto insurance comes from provinces that have made a commitment to their population that they're going to provide a stable and functional and reliable and affordable system for their population, for the people in their province. I believe we have such public auto insurance institutions in British Columbia and in Saskatchewan and Manitoba.

Now, if those public auto insurance carriers decide to enter the Alberta market, they're only going to do so to supplement the service that they provide back to the people of their own population, Mr. Speaker. So, of course, they're just going to enter the Alberta market as another competitive market player. I know that there is some propaganda built into this idea that: oh, here's the public auto insurers maybe playing in the markets in Alberta, and – look – they're providing the same rates as private providers. But in fact they're just here to make some extra dollars to help provide the money to provide an affordable rate for the people back in Saskatchewan or from Manitoba or in British Columbia. Indeed, we don't even know, clearly, if they will enter the market. It would be just a speculation on their part. You know, it goes around, and as I said, I find it slightly as an abuse of the whole concept of public auto insurance or misrepresenting public auto insurance to Albertans.

I think that most people are coming around. I can tell you from anecdotal evidence that more and more people are coming around to the idea that public auto insurance would be the best provider for auto insurance here in the province of Alberta. We owe it to the people of Alberta, Mr. Speaker. Since we put in a rule that you have to have insurance, then it's our responsibility as legislators to provide something that's affordable for everyone. That's where public auto insurance can come in, and it's really quite a functional system. I know that vagaries of the private system sometimes on rare occasions provide something cheaper, but for the most part, over a long period of time, public auto insurance in British Columbia and Manitoba and Saskatchewan has been far superior to the service that we have been provided here in the province of Alberta under our current system.

So with that and a number of other things, I have serious concerns

with Bill 34. I think that we could go a long way to clear up all of these problems, this myriad of the need to regulate. I mean, it's not even fair to the private providers or the personal tort system, the personal injury claims system that we have in place here. Everybody is looking for something that resembles clarity, and without clarity it's very difficult to make a long-term business plan. It's very difficult to build a strategy for how you might penetrate markets because the system at this point in time is not being dealt with in a proactive way by this government. I find that difficult to believe why exactly.

I suspect, you know, the fact that insurance companies are still making dramatic profits from our population here might have something to do with it, even with the uncertainty. But I think that at the end of the day we need to have balance, we need to build a system that provides adequate insurance and the peace of mind that comes with that, and we do need to provide it through a publicly funded system.

Thank you, Mr. Speaker.

The Acting Speaker: Standing Order 29(2)(a) kicks in. Any questions or comments?

Before I recognize the next speaker, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

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

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

Mr. R. Miller: Thank you, Mr. Speaker. It is a pleasure for me to introduce today through you and to all members of this Assembly Mr. Ian Blue, who is a lawyer with the firm Cassels Brock in Toronto. I'd like to welcome him on his visit to Alberta and ask all Members of the Assembly to give him the traditional warm welcome of this House.

head: **Government Bills and Orders**
Second Reading

Bill 34
Insurance Amendment Act, 2005
(*continued*)

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

Mr. Tougas: Thank you, Mr. Speaker. I'd just like to make a few comments on Bill 34. It's nothing we haven't heard before in the last few minutes, but I think they bear repeating. There are some very serious concerns with this bill.

3:40

I think a lot of these bills are sort of disguised as being innocuous. There's not much to them. It's called the Insurance Amendment Act, but inside these things are little tiny nuggets, little time bombs, that we have to be very careful that we watch for.

An Hon. Member: This is an atom bomb.

Mr. Tougas: An atom bomb.

We have to keep an eye out for these things because they're very serious. They have long-term implications even if it's just one or two lines in a document in this form.

First of all, regarding bringing public insurers into the province.

If this works to bring down insurance rates in this province, that's tremendous. We're all in favour of it. I don't think it will because there's nothing to indicate that public insurers will come into Alberta. It just doesn't seem that they have any great interest in it. Even though we have this province that is the wealthiest in Canada and people are driving around in brand new pickup trucks left, right, and centre, these guys are not going to show any great interest in coming into Alberta. And why is that? It's because they're playing by different rules.

You can say insurance is insurance, but it isn't really if they're playing by essentially different rules. I think you can equate it to a Canadian Football League team and a National Football League team. They're playing football, but they play by different rules, and you can't put them on the same field because the rules are different. It just doesn't work. Just for the record, by the way, private insurance is the NFL because it's bigger, stronger, hugely profitable. Public insurance is the CFL because it's user-friendly. It's like a community-owned team like the Saskatchewan Roughriders or something. So, I just thought I'd throw that in there for any football . . .

An Hon. Member: The Saskatchewan Roughriders?

Mr. Tougas: Well, that's a community-owned team. That's the big difference. The Eskimos are too profitable to put into that listing. [interjections] I'm not. I'm just throwing that in there for some reaction here. I just wanted to see if you guys are awake or not.

An Hon. Member: You got the reaction.

Mr. Tougas: Thank you. Any Eskimos stockholders in here? No? Okay.

On to other items, though. It would be great, as I said, if they do come in and bring their expertise. That would be wonderful. I question whether it's going to be anything more than window dressing and an attempt to sort of paper over some of the flaws in the insurance legislation.

Another matter of some concern is section 8. This hasn't been mentioned yet. Section 8 strengthens the Crown's authority by allowing it to impose terms or conditions on licences at any time it considers appropriate. Up until now, prior to this amendment, the Crown could only make such decisions at the time of issuing or renewing a licence. So what does this mean for consumers? I mean, if I can continue with the football analogy, is the government going to be allowed to change rules in mid-game? What does it mean for consumers? What does it mean for the insurance companies?

I would like the government to perhaps provide an example of where the Crown would change a licence at its whim and why? So it seems to be just another little piece of legislation that if they feel like it – nobody seems to really know why – they'll throw it in. A little bit worrisome as well for the insurance companies.

The big problem in this bill, though, as has already been mentioned, is section 5. This business of liability. It's amazing to me that the full weight of the provincial government, this Legislature, would be brought to bear to quash one lawsuit, and that's essentially what we have here. It's even mentioned by number if not by name. We're being asked to approve a piece of legislation that overturns a company's right to sue the government in an active lawsuit that's happening right now. This is an incredibly ham-fisted piece of legislation.

Now clearly it's intended as a way to quash a lawsuit launched by one company in one specific suit, but surely it's up to the courts to decide if this lawsuit has any merit whatsoever. I can't see any

particular reason why the government of Alberta should be injecting itself into this one specific case.

It also gives the government a surprising amount of immunity from lawsuits. I don't know why the government should have that right. If the government makes mistakes, if the government fouls up, well, they should be held accountable in court just the way anybody else is.

This is a very disturbing piece of legislation in many ways, and I certainly hope that the government will give some serious consideration to eliminating at least parts of this section from the bill because it is very, very disturbing for the long term. It's not just an insurance matter. As the hon. Member for Edmonton-Rutherford said, it could be applied to perhaps other lawsuits. I hope that we don't get to the point where the government decides that they can start tabling legislation to wipe out any sort of suit that they just find irritating or vexatious or anything along those lines.

Mr. R. Miller: They've done it before.

Mr. Tougas: Yes, they have done it before.

This is a very serious piece of legislation here sort of hidden away into an innocuous insurance bill that does have some long-term implications. It's very serious. I certainly hope the government will give it some serious thought and decide that maybe this is not the way to go because it is not something that, I believe, the government should be getting involved in at this time or at any time, for that matter. The courts have a role to play, and I don't think the government should be interfering in that role in this fashion.

Thank you.

The Acting Speaker: Standing Order 29(2)(a) kicks in. Any questions or comments?

If not, I'll recognize the hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Speaker. Further comments on Bill 34. As I see more bills going forward where this government is actually legislating itself out of any responsibility for its own action, I always wonder about people or institutions that hide behind laws that only pertain to themselves and that the people who this government is responsible to and for appear to be totally irrelevant to the process.

In section 8 there is mention, it would appear, that midstream, so to speak, insurance contracts would be changed at any time that the Crown considers it appropriate. I believe that insurance contracts are already obtuse enough as to what's really covered, and the poor consumer only finds out what they didn't understand when they have to file a claim, and often it's too late. I would like to ask the Member for Peace River partly for my own clarification just what would be an example of what would change a licence in midstream of a contract that someone feels is set for that particular time frame that's been signed for and if he really believes that that sort of behaviour is fair.

The government seems to want all the power to make the rules but without the responsibility. I'm suggesting that perhaps they might like to grab a little backbone and actually run this industry themselves; i.e., public auto insurance as it has been proven to be successful in so many other jurisdictions.

I just would like to again refer to the hon. Member for Peace River. During the second reading on Bill 34 he said – it was on page 476 – that “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 govern-

ment clearly stated that any costs associated with the new system would be covered by the insurance industry. This amendment confirms that.” What I’d like to know is: is that statement correct, and will the government cite chapter and verse, a copy of the speech, press release, whatever, where the government has actually said that the costs associated with the new system would be covered by the insurance industry?

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

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

Mr. MacDonald: Thank you, Mr. Speaker. It’s an honour and a privilege to get to rise this afternoon and discuss the Insurance Amendment Act, 2005, Bill 34.

Certainly we haven’t had much time to digest the most recent attempt by this government to reform the auto insurance industry in this province. Whenever there’s this short period of time, Mr. Speaker, one has to conclude that the previous insurance reforms were inadequate, done in haste, and not in the interests of consumers and, certainly in light of what has been discussed here, not considerate of the bottom line of consumers.

Now, we are allowing public auto insurance providers into the province with Bill 34, we are giving the province legal immunity from being sued by insurance companies and Albertans that had suffered at the expense of the government’s insurance reforms, and again we’re going to have a shifting of responsibility to regulations. I was left with the impression during the auto insurance reforms that we were going to have a more open, transparent process, but that, Mr. Speaker, doesn’t look to be the case. Certainly, I was surprised.

3:50

It was discussed in this Legislative Assembly during question period whenever Kingsway insurance contemplated and then filed a legal action against this very government over the previous insurance reforms. Then in this act we have the government inoculating themselves from that action and further action. Now, regardless of what we think of the insurance industry and their high profits these days, usually they stand behind their product. In that way they’re a lot different from this government because this government is now not standing behind its legislation.

I wonder how many other court actions may have been pending or there may be as a result of the reforms to the insurance industry that Bill 34 is going to stop if we pass it into law. Not only is Kingsway insurance a victim here, but there may be other victims of this Insurance Amendment Act that we are yet to be aware of.

Now, I think we have to be very, very concerned about the government’s direction here. I don’t think this is a confident government. I don’t think this is a government that has put enough into the insurance file. We had a long, serious debate, yet here we are with further amendments. That does not give this member confidence in the insurance reforms.

I got a cheque for \$12, \$1 for each month of the year, as a result of these insurance premiums. Many Albertans saw these insurance rates for their auto skyrocket, and then we get these measly cheques. In fact, I’m not going to cash my cheque. I think I’m going to frame it and put it up on the wall.

Mrs. McClellan: That’s a good idea. Would you write us a letter telling us that so you can get it off your chest?

Mr. MacDonald: Perhaps the hon. minister could visit the constitu-

ency office in Edmonton-Gold Bar after I get it framed, and I can show her because I’m going to show this to the constituents who come in and say: this is the result of the province’s auto insurance reforms.

We talk about this freeze as: zap; you’re frozen. Yet we all know that the auto insurance freeze, the premium freeze, was just a political tease to get this government through the election period, Mr. Speaker. Meanwhile, the election is not over for six months; we’re back here with a series of amendments.

Now, public auto insurance is certainly the way to go. The majority of consumers are going to see direct substantial savings. We talked earlier, before the spring break, about the city of Lloydminster and what should be done there to make it easier for the administration of that municipality that straddles the border. Everyone knows that the citizens of Lloydminster have considerably less insurance costs for their automobiles than the people in Alberta. It’s public auto insurance. British Columbia, of course, has a system of public auto insurance. It works rather well, and British Columbia reinvests . . .

Mr. Dunford: No, it doesn’t.

Mr. MacDonald: Yes, it certainly does, and not only that, it operates at a profit.

Mr. Dunford: I’ll get my son to write you a letter.

Mr. MacDonald: Yes. I’d be delighted to hear from him.

The Acting Speaker: Hon. members, through the chair, please.

Mr. MacDonald: Thank you, Mr. Speaker. I would urge all hon. members of this Assembly to just check out the Consumers’ Association of Canada’s website and compare rates for insurance: various age groups, various districts, and also various automobiles. Not everybody has the luxury of going to the government car pool and getting a fancy luxury car. A lot of people can’t afford that, so they have more modest vehicles. A lot of people don’t have the risk management fund paying for their auto insurance either, you know. I would urge all members to have a look at the Consumers’ Association of Canada’s website and comparatively shop between various cities in British Columbia, Alberta, Manitoba, and also Saskatchewan and see who’s getting the real deal on savings for their auto insurance because it’s significantly cheaper in those places regardless of which form of public auto insurance is implemented.

Now, the public insurers have said that they’re not interested in coming into this province with this sort of arrangement. I can’t understand why this government is so opposed to public auto insurance when we have crop insurance. Crop insurance is certainly subsidized by the taxpayers. There’s no way around this. ICBC has a program of auto insurance that is not subsidized by the taxpayers; the same in Saskatchewan and the same in Manitoba. So if it’s good enough for crop insurance, perhaps it’s good enough for auto insurance.

Also, the co-operative spirit is alive and well in rural Alberta, Mr. Speaker, with gas co-ops, with electricity REAs. That service, that product, if you want to call it such, is delivered on a not-for-profit basis, on a cost-recovery basis only. So why could we not deliver auto insurance in that same manner to the consumers in this province? I don’t understand the reluctance.

What’s going to happen here: the citizens are going to see that Bill 34, Mr. Speaker, this Insurance Amendment Act, is not going to

change anything other than restrict and limit companies' ability to go after the government for their mistakes. That's all that's going to happen here, and they're going to finally tweak that perhaps we should implement public auto insurance. In fact, I've been reading some of the auto insurance trade manuals, and it has been suggested in there that if this series of reforms doesn't work in a year or two, then the Progressive Conservative government of Alberta is going to have to have a serious look at public auto insurance.

Now, we are also with the bill here – in the time that I have left, Mr. Speaker – going to make some changes to provide the Minister of Finance the authority to place terms and conditions on the licence of insurers at any given time. Perhaps the Minister of Finance can explain this, but what difference is that going to make to the Automobile Insurance Rate Board?

4:00

I'm looking forward to the annual report, and I'm astonished. It may have been tabled here, and a guy missed it, but I'm always anxious to get my hands on that report and read it because I find it quite interesting. I think it's been a while since we've seen that annual report or the latest version of it. In fact, we may be two years in arrears. I could stand corrected on this, Mr. Speaker, but there are a couple of annual reports on the auto insurance industry that are under the authority of the Minister of Finance, and I'm most anxious to see the latest version of those. Usually they're tabled in May. I realize that it's not quite May, but in light of the high cost of insurance and in light of the fact that many of the bigger operators in the auto insurance market in Alberta have made significant profits, table those reports.

I don't know how this rate board is exactly working. I hope it's working more effectively than it has in the past. I had suggested some changes to it. One of the changes was implemented, but I think we still need more consumer representation on that rate board. I would like to know how often it is now meeting, how long the meetings last, how many rate applications are denied, how many rate applications are approved, and how much time is spent on each application.

Now, I thought at one time, Mr. Speaker – and I don't see this in the bill, and it would be great if it was there – that whenever a rate application is made, there would be an advertisement on a website. You know, the website might even read: *notthecheapestinsuranceinwesternCanadaBut.com*. This website could alert consumers to the rate increase applications and which respective auto insurance company is applying. And if a consumer or a consumer representative wished to go – maybe the Consumers' Association of Canada would send a person – if they knew the time and the date and the location of the meeting, they could go, and we could have some public scrutiny of this whole process because it's still, as far as I understand it, a mystery, Mr. Speaker, how all this operates with the rate board. There have to be significant rate increases here in this province because the profits have just been up and up and up. Consumers are still not satisfied. They're still not convinced that this is going to work.

We're having this amendment to the Insurance Act, but I don't see any end to the discrimination against Edmonton drivers in here, Mr. Speaker, and that disappoints me. Edmonton drivers are no better or no worse than drivers in any other parts of the province, but we have this system of districts. For instance, Airdrie, Cochrane, and surrounding communities are not included in the city of Calgary district to set auto insurance rates, but in Edmonton we have Sherwood Park and we have St. Albert included in the area. The hon. Minister of Government Services shrugs, but if you were to work, say, in the city of Calgary, in the central district, you'd have

less time to commute, less distance than you do from Sherwood Park to the city of Edmonton.

Thank you.

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

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

Dr. B. Miller: Mr. Speaker, I would like to move to adjourn debate.

[Motion to adjourn debate carried]

Bill 15

Workers' Compensation Amendment Act, 2005

[Adjourned debate April 5: Mr. Stevens]

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

Mr. Backs: Thank you. I rise as critic for the Official Opposition on this bill. I don't know if I'm out of order, but I must compliment you, Mr. Speaker, on your fine tartan tie on this Tartan Day.

I look at this Bill 15, and I see a number of causes for great concern. It is not simply a housekeeping bill. There are a number of factors, however, that do appear to be housekeeping. You know, the measures for the protection of board rights, of course, are in there. It appears that the cost-of-living increase is certainly something of merit and should be dealt with, but there have been a huge number of concerns brought forward to me from a number of different sectors both in the business community and in the labour community.

A number of questions arise that I would certainly like to see answered in Committee of the Whole. Which stakeholders were actually consulted in the drafting of these amendments, if any? I really haven't seen that. Who endorsed these amendments other than the WC Board itself? In what ways does the government believe these amendments will change current practices? How do these amendments help workers who are injured by third parties gain timely compensation? How will these amendments affect long-standing contentious WCB claims?

A number of specific questions arise. One is, you know, because one of the sections deals with the 25 per cent rule on third-party claims. Where did that come from? Why does the WCB only give 25 per cent? What's the justification for that? If an award in an insurance claim is \$400,000, the worker can only get \$100,000 if that, in fact, was coming out the way they would subrogate it. Some of the questions deal with the surpluses coming from some of these insurance awards. Do they actually accrue to the worker if the WCB award amount or the amounts costing from it are of a lesser amount?

A number of businesses and, you know, members of chambers of commerce and certainly municipalities have not really known that this was coming down. Some of the members of the construction owners, some of the members of the Construction Association, aboriginal employers organizations: many of them have not seen this. There has not been proper consultation. For many of them there is great concern that there are some issues that could affect them directly.

The funding of the Appeals Commission. The Appeals Commission is looked at in this particular bill. Why is it actually funded by the WCB? Through that, in fact, is a charge to employers. Is this not a problem for what's supposed to be an independent body? In fact, why does this not come from general revenues or some other source in the department?

Also, in some senses can the third-party actions actually increase the costs to employers because of the fact that the lawyers are funded indeed by the WCB itself? And will employers get a rebate if a WC award is reduced, if some years down the road the worker's actual award is reduced and, in fact, his award was taken from an insurance claim in the courts?

4:10

One of the other groups that really raised some concerns was the Alberta Federation of Labour, which is usually consulted in these matters and was not in this case. Some questions that they have brought forward are: how does Bill 15 change the current practice? Where is the worker's role in this? In other words, does the WCB co-operate with the claimant in third-party actions, or does the board simply act unilaterally? Why were stakeholders not consulted? Why is the bill being brought up and pushed through the House so quickly? Could the bill be left on the Order Paper until fall in order to give stakeholders time to assess the changes? I think there are some very real and valid questions in that group of questions.

One of the things that very much – very much – has put exclamation points behind the desire to have this looked at maybe more thoroughly and perhaps over a longer time is the recent decision by the Hon. Madam Justice Moen in the Ana Gutierrez case, handed down just two weeks ago, which in fact gave punitive damages to the solicitor for Ms Gutierrez in that the WCB was in a conflict of interest and that the WCB was wrong. This type of 100 per cent payment of solicitor/client rates in that particular case is almost unheard of, and it raises great cause for concern.

As well, the bill has serious ramifications for thousands of Alberta workers. It expropriates retroactively the property rights of these workers. While every other Albertan has recourse to the courts with independent counsel when their lives have been damaged or ruined by careless or drunk drivers, Alberta workers are inexplicably singled out for heavy-handed paternalism by the board. By retroactively expropriating the rights of workers, these workers not only lose control over the recourse which they have in the courts, but they also lose the right to the assistance of independent legal counsel.

This is not only of academic interest. The board, as it was in Ms Gutierrez's case, may well be in a fundamental conflict of interest between its previous claim decisions and the worker's interest in that tort claim. The board attempts to solve this problem by legislating conflict of interest and any duty of care it may have to the worker out of existence by the use of this bill, Bill 15. The board has never had such power.

The Gutierrez decision has affirmed this. When board counsel argued this matter before the Court of Appeal, they were unable to articulate any public policy considerations that might support such broad powers. The board furthermore acknowledged that its demand to be the client rather than the worker is, quote, unnecessary to protect its interest in any litigation undertaken by the worker, unquote.

If the board has never had such power and cannot justify to the highest court in Alberta why it should have it and concedes that it does not need the power, then why does the board come to the Legislature for such power instead of cleaning up its administration of section 22 claims as the court has directed? If the board acquires the power that it seeks under Bill 15, it will have succeeded in creating the most draconian and most repressive system of its kind in Canada.

There are other Canadian jurisdictions where the Board does indeed have vesting power. Madam Justice Moen in her meticulously researched decision pointed out at page 64:

These cases are all distinguishable because they involve a different

statutory structure in which the worker elects to either sue in tort or to seek compensation under the workers compensation system. None of these jurisdictions have a legislative provision comparable to s. 22, giving the worker the right to take an action, subject to the Board's consent and terms.

And at page 65:

In my opinion, this unique feature of the Alberta legislation is significant, and indicates a different legislative intention within the subsection governing subrogation. However, the overall legislative intent in both Alberta and the other "election-type" jurisdictions is similar. Under either approach the legislation provides a worker with the ability to bring an action herself.

With Bill 15 the board wants vesting power without giving the worker the right to elect under which scheme he wishes to seek compensation, WCB or tort law. No other Canadian jurisdiction has seen fit to give their boards this kind of power. The reason for this is that neither rationale nor public policy can justify it. There are many, many considerations, and many people have raised that over the whole Gutierrez decision and some of the costs and unfairness that it could incur to workers and to employers.

A number of other seemingly innocuous areas seem to come to the fore as one looks through the bill even though some are, of course, of a housekeeping nature. The nature of the annual general meeting, 7.1, is generally a new and a positive step, but under subsection (4) it can discuss "any matters raised in relation to the reports by those present at the meeting." It doesn't really speak to public input. It doesn't speak to: will time be allotted in the agenda for questions from the public? What is the purpose of this meeting if there is no input from the public? Are stakeholders allowed to raise issues of importance to the board? Does the board require notification of such issues? In general, there's no clarification as to the purpose of the annual general meeting in public other than to allow the board to be heard on issues it desires and report it to the public via the open annual general meeting.

Some of the issues in 24(1), the firefighters legislation: badly needed, but the eligibility for compensation under this section is left to the board under the general guidelines and includes Métis firefighters.

You know, the government under section 24(4) is given the task of determining the regulations under which firefighters receive benefits after receiving a report from the WCB on the issue of determination of an occupational disease. There are many other problems that relate to firefighters such as loss of taste, smell, and other indirect problems that have arisen from job-related issues. These need further clarification. The WCB should be given direct responsibility to determine the compensable circumstances that would be acceptable under this section. Any report brought through under this section – and this bill should clarify that – should see what detail these benefits would have under this section.

Time limits, of course, are always a concern to many injured workers. You know, some of the 53,000 outstanding long-term, contentious claims that are out there are a problem of, indeed, people not knowing the time limits or being able to deal with them correctly.

Sections 46(1) and 46.1(1) refer to the establishment of a new review body as opposed to the previously existing Claims Services Review Committee. The board is paying the costs of the Appeals Commission from the accident fund of the WCB. Where, again, is the arm's-length process here? How is this totally separate from the board? Does the piper play the tune when an appeal is supposed to be seen to be independent?

Again to the annual general meeting, 13(1), 13(3), and 13.5 speak to: the Appeals Commission must hold an AGM open to the public. The board itself is bound by the Appeals Commission decisions.

Consensual resolution is privileged. The latest AGM of the Appeals Commission was held on a Friday afternoon at 2 o'clock and was published in a small column on the back pages of a newspaper. Questions were allowed from the floor, and the answers from the board of directors were not published or reported. In addition, copies of the annual general meeting with all of the questions and answers were not made available to the public. There must be an accounting to the public. Indeed, no MLAs or their staff were present at the annual general meeting.

The time frames for implementations of the Appeals Commission decisions are generally well adhered to within 30 days. However, the board does not report back to the Appeals Commission to ensure the completion of the implementation. Sometimes all aspects of the Appeals Commission decisions are not completed, and the claimant is unaware of any deficiencies. Follow-through must be noted by the WCB and Appeals Commission. Currently, no follow-up is done.

4:20

The Acting Speaker: Hon. member, the allotted time has run out. Standing Order 29(2)(a), any questions or comments? Hon. Member for St. Albert, are you rising on a question?

Mr. Flaherty: Yes, I am.

The Acting Speaker: Yes. Go ahead.

Mr. Flaherty: I would just like to ask the hon. member – and I'm sorry about my lack of knowledge. You referred to the board. How are appointments made to the board, and are workers involved in setting policy of the board? Could you clarify that for me?

Mr. Backs: That's something, I think, that should be raised and are good questions for Committee of the Whole. It speaks to some questions as to the AGM.

You know, the AGM really doesn't look to these matters. I think the review body, which I mentioned, should look at that. The new review body that's in this act is simply a method of ensuring, really, quality assurance in a weak form of dispute resolution without the presence of an apparent arm's-length appeal. The new review body is being used to attempt to demonstrate that a review mechanism is in place. However, the actual mechanism of review and/or dispute resolution is not . . .

The Acting Speaker: Hon. member, this section is for brief questions and comments.

Does anybody else have any questions? Hon. Member for St. Albert, did you have another question?

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

The Acting Speaker: Okay. If there is nobody else, the chair recognizes the hon. Member for St. Albert.

Mr. Flaherty: Thank you, Mr. Speaker. I appreciate your allowing me to speak. Let me just comment, if I may, about the staff of the WCB. I had the pleasure of doing an evaluation of the employee assistance program of the WCB with several colleagues at the university, and I want to go on record as being very positive about these people and the good work that they do. Many times I think they're dealing with very difficult situations, and we don't give them the support and the accolades that I think they deserve. I'm thinking in particular of one of my constituents from St. Albert when I say that.

Let me then comment on 7.1 of the bill, which refers to public input into the matter of when the board meets, to the agenda. I think there it says: are stakeholders allowed to raise issues of importance to the board? Does the board require notifications of such issues? In general, there's no clarification of the purpose of the AGM in public other than to allow the board to be heard on issues it desires to report to the public via the open AGM. So I think there we're talking about public involvement.

We look at sections 12(1), 12(2), and 12(3). These sections are supposed to take responsibility of the Appeals Commission away from the WCB and transfer it to the minister. Under this administration 12(1) and 12(2) allow the Appeals Commission to appoint officers. The costs of carrying on the operations of the Appeals Commission are paid by the minister. However, the sentence in 12(3) states, "Be reimbursed quarterly to the Crown by the Board from the Accident Fund."

I think one of the things that concerns me, Mr. Speaker, is the fact that there is an arm's-length question of the minister's dollars being interpreted the wrong way. So I think there's a need there for some arm's-length funding, if you will. This would mean that the government through general revenues would cover the costs of the Appeals Commission to ensure that there is a clear separation. Therefore, that could, I think, be looked at.

If we look at 13(1) and 13.3 and 13.5, the Appeals Commission must hold an AGM open to the public. The board is bound by the AC decisions, and this is significant. Again, it's important, I think, that the public and the stakeholders get access and that the workers be represented.

I think that in sections 19 and 20 the board has been given wide powers of investigation, and "employer" is under section 18. I think the above two sections are good. The employer, to give this information further under section 20, now has the power under the Public Inquiries Act to complete the investigation. I think those are good moves.

Of course, my colleague mentioned the business of the firefighters. I think that's a good change and one of the things that caught my attention. The time limit of three years to report these injuries from the time of the legislation is a good move.

Section 46 to 46.1 talks about the new review body as simply a method of ensuring a quality assurance and a weak form of dispute resolution without the presence of the apparent arm's-length appeal. The new review body is being used to attempt to demonstrate that a review mechanism is in place. However, the actual mechanism of review and dispute resolution is not decreasing the number of appeals that are going to the Appeals Commission. In fact, the number of appeals has increased.

The review body is a watered-down appealed review that the case managers use as a vehicle to discourage further appeals. It is not functioning, it says here, as it was originally intended. The WCB believes that the decision review body is an effective tool to allow claimants to proceed to the Appeals Commission much faster. While that may be true, the actual review mechanism is faulty at best.

Let me just close here, Mr. Speaker, and mention one other section: 157.1. This section was to deal with the contentious issues of all claims and should be examined for what it does not say about the mechanism to handle this outstanding issue. The general impression of 157.1(2) is that this is woefully inadequate to address the issues that have arisen from many claimants. It states that "the Lieutenant Governor . . . may make regulations."

The rest of the section explains why the government will not fully address these potential claimants' issues in a manner that will solve the problem and not attempt to avoid them. This section should be

deleted and totally rewritten to enforce the obligation that the WCB has to deal with these claims in the form of a proper assessment, a plan of action, and a determination of entitlement and solution that is equitable.

Those are just some of my comments, Mr. Speaker, so I'll just sit down. Thank you.

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

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

Mrs. Mather: Thank you. This is a really important bill. When an individual is injured, it is a cost in many ways: to the injured, of course, the families, employers, health care, insurance companies, et cetera. In my own case, I was in a car accident after the unsatisfied judgment fund was removed by the provincial government. The individual who caused my accident was an assigned risk driver who could not get insurance and who did not have assets. The small settlement I received went to lawyers' fees and then Alberta Health to pay for my six months' hospitalization.

Something like WCB would have been a valued backup. I did not receive compensation coverage in my situation. However, I recognize the importance of WCB as one of the pillars of our safety net along with health care insurance and pensions that are needed in a compassionate society. It is important that we guard this pillar so that it can be all that we intend for Alberta workers.

4:30

I have some questions because I want to make sure that the rights of injured workers are protected. I need to understand the reasoning behind the proposed changes to the current legislation. For example, subsection (7) states that if an injured worker obtains a lawyer for a personal injury lawsuit that somehow involves the Motor Vehicle Accident Claims Act, the board will not pay any legal fees for that lawyer. It's unclear whether this subsection is actually a change in policy or whether it's simply clarifying an existing policy. If it's a change in policy, this could be controversial, and we need explanation. So I'm asking: is this the current practice or not?

Under subsection 11(d) the board can regulate the fees charged by private lawyers. Is this common practice? What are the typical fees for private lawyers? In what way does the board regulate those fees? How often does the board retain private legal counsel and under what circumstances? If the fees charged by private lawyers are more than the board regulations, who picks up the difference? Is it the injured worker, or is it the employer?

Then section 6 repeals section 31 of the act respecting a worker's right of action outside Alberta. Why is this being repealed? How is it going to affect the rights of workers who are actually injured in another province or country?

I am happy to see section 7, that says that the board will apply cost-of-living adjustment increases on extended temporary partial disability. This is a reasonable and necessary amendment in my view.

As we're going along, I don't want to repeat some of the concerns expressed by my colleagues. I wonder about the fact that workers or employers cannot opt out of the legislative requirements in terms of the third-party actions. That needs some explanation to satisfy my concerns.

This bill has serious ramifications for thousands of Alberta workers. It expropriates retroactively the property rights of these workers. While every other Albertan has recourse to the courts with independent counsel when their lives have been damaged or ruined

by careless or drunk drivers, Alberta workers are inexplicably singled out for heavy-handed paternalism by the board. By retroactively expropriating the rights of workers, these workers not only lose control over the only recourse which they have to the courts; they also lose their rights to the assistance of independent legal counsel. This is a concern to me.

I note that the board has acknowledged that its demand to be the client rather than the worker is unnecessary to protect its interest in any litigation undertaken by the worker. If the board has never had such power and cannot justify to the highest court in Alberta why it should have that power and concedes that it does not need the power, then why does the board come to the Legislature for such power instead of cleaning up its administration of section 22 claims as the court has directed?

With Bill 15 the board wants vesting power without giving the worker the right to elect under which scheme he wishes to seek compensation: WCB or tort. No other Canadian jurisdiction has seen fit to give their boards this kind of power. The reason for this, I believe, is that there is neither rationale nor public policy that can justify it.

This bill requires detailed study. It requires a lot of input from a lot of people whose rights are going to be damaged by these amendments. It requires convincing justification for these amendments, and ultimately any changes to section 22 should be carefully designed with full consideration of their overall repercussions. This bill reduces the accountability of the WCB and provides for it to act in its own interests and not the interests of the workers of Alberta. The government has failed to consult with stakeholders and interested groups that would be directly affected by Bill 15. The government has furthermore not allowed sufficient time for proper public scrutiny.

This bill will provide legislative sanction to the board to make decisions for the injured worker that include who and what to sue for and what settlement is acceptable without regard for the worker and their interests. Payment of compensation to the worker will be under the complete control of the WCB. Payments will only be made after the board has recovered its costs and legal fees have been recovered.

I go back to my opening statements about the importance of the WCB as one of the pillars of our safety net for Albertans just like health care insurance and pensions. These are needed in a compassionate society. I cannot support the suggested amendments to this bill because I do not believe it demonstrates that compassion.

Thank you.

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

Mr. Backs: I might be out of order on this, but a quick comment to the mover of the bill. First, just a thanks for some of the consultation, answering of the questions. Secondly, I commend you on your tartan tie. That's for the Member for Calgary-Foothills on this Tartan Day.

Just a question to the previous speaker: do you think that the bill and the sections in it really in any way deal with the long-standing contentious claims issue?

Mrs. Mather: I'm sorry. I need you to repeat it.

Mr. Backs: Do the provisions in this Bill 15 deal in any real way with the long-standing contentious claims issue, and will it move to reduce that backlog of 53,000 cases in any way?

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

Mrs. Mather: Thank you. I can't answer that. I don't see that it will help. I need more information.

The Acting Speaker: Any other questions?

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

Mr. Eggen: Thank you, Mr. Speaker. I am rising to make comments on Bill 15 here today again with a rather heavy heart because, you know, since I've started this new position as MLA for Edmonton-Calder, it's come to my attention that amongst all of the various jurisdictions that this government has in this province, the WCB, the Workers' Compensation Board, is specifically one of the least functional and most problematic arms of the provincial government. The growing, mounting, evidence that the WCB is in fact causing more difficulties than benefits to the workers of Alberta is becoming more apparent every day.

So when I saw that we had a bill coming up to amend the Workers' Compensation Act, I was hopeful that we might see some clearing of the air in regard to the Workers' Compensation Board, but instead what I see here is further muddying the way by which we deal with our injured workers in this province. In fact, it seems as though we're moving the injured workers into some special category which is outside the law in a way. Where most regular Albertans might have the ability to go through a judicial process or a civil process, we have some extrajudicial creation here, which hardly seems democratic and will simply add to the pain and suffering that so many people are subjected to when they have to face a WCB claim.

At the heart of this matter I believe is that, you know, this bill has been brought through without consultation with any of the parties that might have some significant contribution to make it a better bill or to add to the bill in some way. As New Democrats we have consulted and been consulted very strenuously on Bill 15, and almost every worker group and law firm and building council and unions are all in firm agreement, yelling loudly and clearly that this Bill 15 must not go forward.

4:40

You know, at the very least, besides what they're actually telling us, Mr. Speaker, I think that the due process of a responsible government is to consult these various groups before you bring in legislation. If you're not making that consultation, then it's only exacerbating the conflicts that might ensue from provisions in this bill that are not in the workers' best interest, and at the end of the day we'll simply have to go back and revisit these at a later date, you know, trying to undo the damage that might be done. So my very first and most strenuous point is that consultation has not been carried out in a reasonable way before this Bill 15 has come forward to this House, and for that reason alone we cannot as New Democrats support any aspect of it.

Now, there are a number of specific concerns that we have with Bill 15, and again these are things that have been brought forward by various stakeholder groups. I think that the heart of the most ridiculous, quite frankly, Mr. Speaker, aspect of this bill is that it retroactively expropriates the rights of workers to retain counsel and control their own injury claims by so-called vesting all existing and future actions in the boards. This vesting will indeed give the board ownership of the injury claim of the workers against the nonworkers.

Now, you know, this sort of goes against a very basic principle of law where you're entitled to be in control of your own file and look for resolution of that file. By putting it now into the hands of the WCB, which we're required to do, by the way, Mr. Speaker, then

we're simply left with no recourse whatsoever, and a whole section of our population is cut out from the due process of the court of law.

This idea of tying full co-operation to entitlement in section 10 of this bill is described as draconian at best. If that is not enough, the WCB has enabled themselves to declare past compensation to be a debt owing that is collectable by the board. What is there in the current legislation that has been a problem for them to suddenly need this collection, I would hasten to ask, and certainly I think it would be difficult to find a reasonable answer.

Also, the question of conflict of interest in Bill 15 is another point of contention. No matter how much conflict of interest there might be between a board decision on a claim and a worker's actual injury and losses, the concept of conflict of interest here has simply been erased – right? – annihilated and taken away from the due process that should be existing in the Workers' Compensation Board. So, again, I find this very difficult to believe, and in fact it gives this whole bill the feeling of some sort of unreality or, you know, as I said before, creating an alternate system, a parallel system for citizens as if we're not all equal under the law here in the province of Alberta.

You know, when you come across bills like this, one can only hope that the best thing for it is to go back and make a proper consultation process with all of the parties that have a vested interest in the Workers' Compensation Board in this province, Mr. Speaker, and that is, at the end of the day, the majority of the working population of this province. They are well represented, as I say, by workers' groups and associations and unions and legal associations. So I think that the most logical and the most reasonable thing to do is to go back and make consultation before this bill goes forward through second reading.

So in keeping with that, I would like to make notice of a reasoned amendment to Bill 15, the Workers' Compensation Amendment Act, 2005, and I'm doing this for the benefit of Mr. Martin, our labour critic. He is moving that the motion for second reading of Bill 15 be amended by deleting all the words after "that" and substituting the following: "Bill 15, Workers' Compensation Amendment Act, 2005, be not now read a second time because full consultation with appropriate stakeholders has not taken place."

Thank you.

The Acting Speaker: Hon. members, we need to have the amendment circulated, so we'll just give the pages a minute or two to distribute them. Thanks.

Hon. Member for Edmonton-Calder, you may proceed now.

Mr. Eggen: Yes. As I'm just circulating the reasoned amendment then, you can see that what we're asking for – and I don't think it's unreasonable – is that we go through a proper consultation process with the various groups that could give us the most clever and reasonable vision of how the Workers' Compensation Board might be able to function.

Please understand, Mr. Speaker, that my comments in regard to the Workers' Compensation Board as an entity certainly do not suggest that we do not need this institution in our province. Quite on the contrary. It's a very fundamental part of an insurance policy that we provide to workers in this province and an assurance to firms who are employing people that they will not lose everything in the event of an accident through their workers.

The potential for the Workers' Compensation Board is enormous, and I believe that the ability they have to educate and to reduce accidents in the workplace is enormous. I believe that the peace of mind and reasonable compensation that they can provide in the event of injury is absolutely necessary in a just, humane society and that

businesses deserve to have some collective agreement both to protect themselves and to offer safeguards against injury claims for themselves as well. What we do see here in 2005 with the present system and with this bill, no help at all, is a system that is in terrible need of fixing. I see little or nothing in Bill 15 that might fit that bill.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar on the amendment.

Mr. MacDonald: Yes. Thank you, Mr. Speaker. This amendment I think should be considered thoughtfully by all hon. Members of this Legislative Assembly. I listened with interest to the hon. Member for Edmonton-Beverly-Clareview the other evening in discussing Bill 15 at second reading and was startled to hear from that hon. member that there had been less than a full consultation process.

In regard to Bill 15, the Workers' Compensation Amendment Act, 2005, certainly I was surprised to learn that the Alberta Federation of Labour and other labour groups were not aware of the intention to introduce these amendments. Mr. Speaker, I would think it would be respectful and courteous of all hon. Members of this Assembly to hear exactly what those groups have to say, not only in regard to what's in this legislation but also as to what's not in this legislation and perhaps what should be in this legislation. If we had a consultation process with the appropriate stakeholders, then we could proceed with debate on Bill 15, but as far as I know and understand, that has not occurred.

4:50

Now, I heard that there was some sort of fancy meeting at the Royal Glenora Club with the WCB and government members tonight. I'm not on duty tonight, Mr. Speaker, so I don't know what will be the results, but I've heard that. If you're going to have a consultation with the board of directors of the WCB and all the movers and shakers of the WCB, then perhaps we should set aside some time, even if it's not at the Royal Glenora Club – maybe you could go to Tim Hortons – and discuss the implications of the Workers' Compensation Amendment Act with some of the respective groups that will not be at the country club. A great number of Albertans don't grace the doors of the country club. In light of that, we could perhaps consider the reasoned amendment provided to us this afternoon by the hon. Member for Edmonton-Calder.

Another reason, another good reason, why we should consider this amendment is that during the last election it was advocated by the Official Opposition, the Alberta Liberal Party, that there be a full independent public inquiry into all aspects of the Workers' Compensation Board. We have been asking for nine years, Mr. Speaker, for a full independent public inquiry into the Workers' Compensation Board.

Now, a little meeting down at the Royal Glenora Club doesn't cut it. That's not a full independent public inquiry in my view, and certainly when you talk to the workers in Alberta, it wouldn't be their view either. The WCB has made some steps in being more accessible to the public – that's true, Mr. Speaker – with their annual general meeting, which is usually held in Edmonton or in Calgary. I suspect that at some time they will perhaps go to Grande Prairie or to Lethbridge, maybe to Medicine Hat, who's to say, to have their annual general meeting. Those meetings are public, and that is a step in the right direction, and I think we should commend the WCB for that.

In light of so many complaints that not only hon. members get but

the Ombudsman – there are respective legislative offices, Mr. Speaker, that get complaints from workers who simply have fallen through the cracks. Not all of these complaints are frivolous. Some of these injured workers have been frustrated repeatedly by the entire process. I know that we tried to fix the process. I know that we've had some consultation processes in the past. The hon. Member for Red Deer-South was involved in one. Certainly, a retired justice, Samuel Friedman, was involved in another. There have been various consultation processes, but there has never been a full independent public inquiry into how the Workers' Compensation Board in this province is functioning and how we could improve it.

So we're looking at this Workers' Compensation Amendment Act, 2005, and we're looking at this reasoned amendment, and I think it would be very worth while if we were to support this amendment and have some real sound public consultation. We could implement a full independent public inquiry. It could report to the Legislative Assembly. It could go to various towns and cities across the province, including Rocky Mountain House. There are a lot of workers in Rocky Mountain House that are phoning our constituency offices. They're frustrated. There's no doubt about that. They feel left out of this whole process. They feel that it's not fair. The public inquiry could make a stop there. Yeah. We could have a restoration of confidence in our entire workers' compensation system.

For those two reasons, Mr. Speaker, I would urge all hon. Members of this Legislative Assembly to support the amendment as it has been presented by the Member for Edmonton-Calder. Thank you.

The Acting Speaker: On the amendment, the hon. Member for Edmonton-Manning.

Mr. Backs: Thank you, Mr. Speaker. In speaking earlier to the bill, I indicated that I didn't think through my communications that there had been proper consultation with many different groups, including many businesses in the province, many municipalities, cities as well, and certainly business groups. It's quite remarkable that there's been such a low level of consultation on this particular bill. I think that there is real reason to support this and to put it out into a wider consultative process in the province so that, indeed, we can come up with better legislation. I believe that is incumbent on us to be responsible in such a manner to do so.

I had proposed, you know, and notified the mover that I would be looking to amendments in committee. This would, in fact, preclude that if passed. I didn't know that we could move amendments on second reading, to be truthful, but it's an interesting amendment that I believe is worthy of support. Without amendments, if it were to go to committee, the Official Opposition could not support this bill. I ask that members look that we give people a second chance to see this and that we have the Legislature look at a better bill in a second opportunity.

Thank you.

The Acting Speaker: Anybody else wishing to participate in the debate on the amendment? The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you. I just would like to make a couple of very brief remarks on why I think it's very important that this be held off and that we actually pass this amendment. One of the things that actually frightens me as a nurse and as someone who has worked in geriatric care whose back obviously is under stress at many, many points is the fact that I always tried to stay away from WCB because, frankly, all of the paperwork scared me. I just didn't think that I

could handle all the paperwork. So what did I do? I went to my chiropractor and I went to physiotherapy because I knew what would help my back and get me back to work right away. But guess what? Both of those have now been cut back. So I may well have to end up going to WCB.

However, another thing that frightens me is the fact that as a worker I would not have a choice to either tort or actually go with the WCB, and then had I chose the tort method, I might not have had full access to my record. My record, to me, under WCB is exactly the same as my record under health care. That's my record. I want every single sentence. I want every single comma turned over to me because I own that file. No one else owns my personal file. That's why I think it's very important that this amendment be passed, so that we can take another good look at this bill.

5:00

[The voice vote indicated that the motion on the amendment lost]

[Several members rose calling for a division. The division bell was rung at 5:01 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Speaker in the chair]

For the motion:

Backs	MacDonald	Miller, R.
Eggen	Mather	Pastoor
Elsalhy	Miller, B.	Tougas
Flaherty		

Against the motion:

Amery	Goudreau	Melchin
Brown	Groeneveld	Oberg
Calahasen	Haley	Ouellette
Cardinal	Hancock	Prins
Cenaiko	Jablonski	Rodney
Coutts	Johnson	Rogers
Danyluk	Johnston	Shariff
DeLong	Knight	Stelmach
Doerksen	Lindsay	Strang
Ducharme	Lund	VanderBurg
Dunford	McClellan	Webber
Fritz	McFarland	

Totals:	For – 10	Against – 35
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[Motion on amendment to second reading of Bill 15 lost]

The Speaker: The hon. Member for Edmonton-Gold Bar on the debate on second reading.

Mr. MacDonald: Yes. Thank you, Mr. Speaker. Bill 15, the Workers' Compensation Amendment Act, 2005, certainly merits further discussion at this time, I believe, not for what exactly is outlined in the bill. Certainly, it has been promoted as a housekeeping bill, but I think it is more than a housekeeping bill, and I think it is time we give it some further debate, not only of what's in it, again, but what's not in it.

Certainly, we are clarifying wording around immunity for the board of directors of the Workers' Compensation Board. It clarifies the rights of all concerned when a third-party action is taken under the act. It confirms that the WCB can regulate the fees charged by

private lawyers working on third-party civil actions and also permits the WCB to pay cost-of-living increases to workers who are on extended temporary partial disability benefit. But if we could do that cost of living increase – and I'm disappointed that I don't see any reference to this in the bill, and I think we could put it in there.

The whole issue, Mr. Speaker, around the long-standing contentious claims has been an ongoing concern. I spoke earlier on the reasoned amendment on the need for a public inquiry. We've had various inquiries in the past. There was a commitment made – there was without a doubt a commitment made – to address the issue of the long-standing contentious claims, but that hasn't happened, unfortunately. As each and every hon. member of this Assembly knows, there is probably once a week a visit to our respective constituency offices from someone who would fit into the category of having missed out and perhaps once and for all could have their issue resolved one way or the other through a tribunal on these long-standing contentious claims.

Now, there are various statistics in regard to how many Alberta workers injured on the job through no fault of their own who have fallen through the cracks would fit into this category. There are some that would say it's 3,000 workers; some will tell you it's 7,000 workers; some will say it's as high as 15,000 workers. We don't know. There have been a number of estimates on the number of injured workers, but we don't know. At least, this hon. member, Mr. Speaker, does not. Bill 15 in no way addresses this.

There's also the concern of: where are you going to get the money to pay these people out if it is found that, yes, there is validity to their claim? That amount varies anywhere from \$20 million to \$230 million, depending on who you talk to. Businesses who fund the WCB through the payroll tax have valid concerns about this payment. But to my amazement the WCB changed their accounting practices and did away with a fund, a nest egg that they did have that could be used for this purpose. I think it's a debt we owe the injured workers. If it can be proven that they've been injured on the job and that after all these years all the suffering they have endured is a result of that workplace injury, then I think we owe them a significant debt, and I think we should make every effort to finally settle these claims. That's not in the bill.

It is interesting also, Mr. Speaker: I hear from workers and their families all the time about their exposures to toxic substances in the workplace. The hon. Member for Calgary-North Hill worked very hard to help one group out, the firemen, and that was only the first step. There are lots of different trades, professions, and occupations in this province, lots of people employed in those trades, professions, and occupations who unfortunately come in contact with toxic substances in the line of their work. I would like to know why those injuries would not be considered in this legislation. If we're going to amend the Workers' Compensation Act, now is a good time to consider those workers.

5:20

We have welders – welders are a fine example – older individuals who have been in the trade for a number of years. Some of them have expressed considerable concern to this member that their lung capacity is reduced. The risk of cancer is increased. They notice that the cancer rates among some of their contemporaries are very, very high. Quite frankly, they're afraid, and they shouldn't have to be afraid. We should address this issue and address it now. There is no doubt that some of these older workers, before we improved our methods of protecting the workers from exposure – We have also better policed the job sites so that there has been enforcement of the rules, which not only convinces the employers that it's in their best interest to protect their employees, but also it's in the worker's

best interest to wear the equipment to protect them from welding fumes or any other toxic airborne substance.

We need to look at this. There are too many workers with their lives suddenly cut short as a result of their occupation. We have a bit of a fund set aside for that, and I believe it is related to asbestosis. Perhaps it's time that we increase the amount, Mr. Speaker, that's in that fund. This is a ticking time bomb on Alberta workers as the workforce ages. I don't see anything in this bill that would improve that for welders or any other individual that is exposed to smoke that is created as a result of striking a welding arc.

Now, we could also look at the NORMs. I don't see any direction in here on NORMs, which are naturally occurring radioactive materials that are in industrial process streams and fertilizer plants and in refineries, in the tar sands developments around Fort McMurray. These are naturally occurring radioactive materials, and whenever workers do routine maintenance on those facilities, whether it's the pressure piping or the pressure vessels, they routinely go inside. Some corporations in this province have to their credit developed regulations. But what does the WCB have to say in this? I think it's very important, and they have said nothing, unfortunately, Mr. Speaker, in regard to this issue in Bill 15. I'm disappointed in that.

I know that in the past Alberta Human Resources and Employment has been working on some regulation. There has been a group working on this regulation to deal with this whole issue of NORMs, but I haven't heard a word in a couple of years. Hopefully, some hon. member of this Assembly could update not only myself but the public and the workers of the province on exactly what is going on with this regulation on naturally occurring radioactive materials in the workplace.

Now, Mr. Speaker, Bill 15 certainly is meant to clarify wording around immunity for the board of directors of the Workers' Compensation Board, but we have to consider the background in this. I would remind all hon. members that the WCB and its employees are currently granted immunity from lawsuit for actions and decisions taken in good faith.

Section 22 of this bill protects the rights of the WCB and the accident fund in situations where an accident, whether it's a motor vehicle, a slip, or a fall, products liability, medical malpractice, entitles an injured worker to a personal injury lawsuit against someone who is not an employer or worker as defined in the Workers' Compensation Act.

Now, these actions, as everyone knows, are referred to as third-party actions. It's interesting that in third-party actions the WCB is giving certain rights. These rights allow the WCB to recoup the costs for the accident fund, thus reducing costs to the workers' compensation system for all Alberta employers. Most times this works out, but it's surprising that 15 per cent, 20 per cent of the time it doesn't. Injured workers get immediate payment through compensation benefits without having to wait, and compensation is treated in this case, Mr. Speaker, like an advance. We have to ensure that the system will run effectively. It won't burden the

employers with a great increase in premiums, and it won't deny the employees the benefits that they themselves are entitled to.

I have some questions that, certainly, I would like to get on the record at second reading in regard to this bill, and they're similar to what others have asked, but whenever the constituents of Edmonton-Gold Bar, who feel very frustrated with the system, come in I know that they're going to ask about this bill. They're still asking about the last series of amendments that moved through this Assembly, and they're not satisfied that that has worked out.

On their behalf I'm going to ask formally: what is the reasoning behind the proposed changes to the current legislation? Does this bill signify yet another change in policy by the WCB? We heard about the stakeholders that were not consulted. Which stakeholders were consulted in the drafting of these amendments? Who endorsed these amendments? In what ways does the government view that these amendments are significant and will change current practices? Again, Mr. Speaker, how do these amendments help workers who are injured by third parties and hopefully gain timely compensation?

We certainly dealt with the issue of the long-standing contentious claims from the WCB, which are not, in my view, addressed in this amendment to the Workers' Compensation Board Act. Some people have said – for instance, a Mr. Adrian Gracy from the Alberta Building Trades Council has stated in consultation that he was pleased with this, I believe.

The Speaker: Hon. member, Standing Order 29(2)(a) now kicks in.

Mr. MacDonald: At this time I would like to adjourn debate.

The Speaker: Sorry. Your time is gone. We're now at Standing Order 29(2)(a).

The hon. Member for Edmonton-Manning. I'm sorry; you've already participated.

Mr. Backs: Can I ask a question?

The Speaker: Yes, you can.

Mr. Backs: Mr. Speaker, I'd just like a little bit more elaboration from the Member for Edmonton-Gold Bar on the issue of long-standing contentious claims.

Mr. MacDonald: Yes. Well, thank you very much, hon. Member for Edmonton-Manning, but the whole issue of long-standing contentious claims . . .

The Speaker: Hon. member, I hate to interrupt, but the time for the afternoon's business has now evaporated. The House now stands adjourned until 8 o'clock this evening.

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

