

Legislative Assembly of Alberta

Title: **Wednesday, November 16, 2005** **8:00 p.m.**
 Date: 05/11/16
 head: **Government Bills and Orders**
Committee of the Whole

[Mr. Shariff in the chair]

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

Bill 9 Post-secondary Learning Amendment Act, 2005

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Minister of Advanced Education.

Mr. Hancock: Thank you, Mr. Chairman. At this time I'd like to move an amendment to Bill 9. I understand that you have the necessary copies for distribution.

The amendment would be that section 2 is amended (a) by striking out clause (a)(ii) and substituting the following:

- (ii) by repealing clause (c) and substituting the following:
 - (c) 10 persons appointed by the Lieutenant Governor in Council, one of whom shall be designated as chair;
 - (c.1) additional persons appointed by the Lieutenant Governor in Council on the recommendation of the Minister;

and (b) by striking out clause (b)(ii) and substituting the following:

- (ii) by repealing clause (c) and substituting the following:
 - (c) 7 persons appointed by the Lieutenant Governor in Council, one of whom shall be designated as chair;
 - (c.1) additional persons appointed by the Lieutenant Governor in Council on the recommendation of the Minister.

Mr. Chairman, these amendments just fix up a couple of sections of the bill that we had before us previously. That bill that's before committee now has a number of amendments to the Post-secondary Learning Act which are basically minor in nature, but we're trying to deal with issues. We discussed that thoroughly at second reading.

The two pieces that needed to be corrected were with respect to the makeup of the boards. The wording which was put into the amending act unfortunately did not have the clarifying effect that was intended but rather made it more confusing. So what we're doing now is taking out the two sections that previously had said "at least 12" members. What we're indicating in the amendment that's now being put in front of the House is that there would be 10 persons appointed by the Lieutenant Governor in Council, one of whom would be chair in the case of technical institutes.

Then the (c.1) provision, Mr. Chair, simply provides some flexibility so that if a board wished to expand beyond the 11 members for some reason – those are the 10 persons that are appointed and then the one person who's ex officio – if you wanted more than the 10 appointed members for some good reason, you would have the flexibility to do that. Now, that good reason might be that the board in an area decided that it needed to have a larger board for the operation of its business. It can make a case on that, and then perhaps a permanent addition to the board could be made. Or it might need to recruit some specific talent to the board. Perhaps they're engaging in a major capital campaign and want to have a person from the community that can help deal with that major capital campaign on the board. So that would be the reason why an additional person would be appointed under (c.1). The same thing would be true on a college board, for example, in the next section.

So these two sections are really just trying, again, to clarify the

standard number of board members to be appointed as public members to the board for a technical institute and then for a college, and then the provision allowing for expansion if the board wished to be expanded for some particular reason.

I would ask members to consider this amendment for us that would improve the bill which is before the House now. Thank you.

The Deputy Chair: Hon. members, we shall refer to this amendment as amendment A1.

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

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Chair: The hon. Solicitor General.

Mr. Cenaiko: Thank you very much, Mr. Chairman. It's my great pleasure to introduce to you and through you to all members of the Assembly the Maple Leaf AA Bantam Brickmen hockey team from north Edmonton. The 19 plus their parents are accompanied today by assistant coaches and constituents of the MLA for Castle Downs, Mr. Frank Dienes and Clint Marcotte, trainer Jules Grandfield, and manager Lanny Westersund, who is also the legislative assistant to the MLA for Edmonton-Castle Downs. The head coach, my son Jason, could not be here tonight as he's studying for a major exam tomorrow morning, but he did want the team to have a tremendous opportunity to see the Legislature, see an office in the Legislature as well, and obviously see us hard at work here in the Assembly. So I ask that they all rise and receive the traditional warm welcome of the Legislative Assembly.

head: **Government Bills and Orders**
Committee of the Whole

Bill 9 Post-secondary Learning Amendment Act, 2005 (continued)

The Deputy Chair: The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you, Mr. Chairman. Speaking to the amendment, then, amendment A1, I don't have a huge problem with this. I just want to get on the record the fact that I think that what you see here is a basic philosophical difference between the government side of the House and the opposition side of the House in that I know that the minister is arguing for flexibility, adaptability, the ability to move quickly to do what he feels is the right thing at the right time whether or not all members on this side of the House agree with that.

The overall effect of it, of course, is to create the possibility for additional government appointees onto college and technical institute boards. It waters down the representation on those boards by institutional stakeholders such as students and faculty. It therefore has the potential to undermine institutional autonomy. It has the potential to extend and exert more ministerial control over those institutions.

We don't fundamentally believe that that's the right way to go. We also don't fundamentally believe that we're going to change the government's mind on that tonight. We don't believe that this is the proverbial hill worth dying on. I simply wanted to put it on the record that we think that it could be done a better way simply by not in a sort of open-ended fashion allowing for the appointment of as many or as few additional board members as the minister or the Lieutenant Governor in Council would see fit.

That said, it's not a hill worth dying on. While we don't really agree with this change and this additional ministerial power, we don't think that it's going to utterly and totally upset the apple cart. So it's unlikely that I would go so far as to oppose the bill.

8:10

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

Dr. Pannu: Thank you, Mr. Chairman. I'll be brief as well on this amendment, which on the surface looks very minor. I think, like my colleague who just finished commenting on the possible implications of these changes, that I also want to put my concerns on record with respect to the change that is being sought here. That is reducing the total number of persons from 10 to seven, and then any additional persons to be appointed is left to the minister and the Lieutenant Governor in Council on the recommendation of the minister.

As we move to allowing our postsecondary institutions, particularly institutions with college status, to move towards offering an increasing number of degrees at the college level, what we need to do is to bring in changes to the legislation which will make the governance of colleges similar to the governance model that universities use, where faculty and student representation on the board of governors is more significant than has been in the case of colleges and technical institutes.

To me enabling or giving powers to colleges to offer academic degrees requires these colleges to model themselves on the way the best universities, even in this province, have functioned and governed themselves. What's happening here, it appears to me, is a move in the opposite direction. The more you expect colleges to act like universities, the more commitment the government needs to show to encouraging these colleges or allowing these colleges to govern themselves and allow their academic councils, which are not mentioned here, by the way, to have powers which are similar to the general faculties councils at the universities of Alberta.

So this amendment causes concern to me in that it could lead to diluting the presence and therefore the influence of students as a corporate group on the campuses of our colleges as well as the role of faculties in the determination of the policies, the programs, and the . . .

Mr. Mason: Mr. Chairman, on a point of order.

The Deputy Chair: Hon. members, the hon. Member for Edmonton-Highlands-Norwood is rising on a point of order.

Point of Order Decorum

Mr. Mason: Mr. Chairman, even though I'm sitting directly behind the hon. member who is speaking, I am finding it difficult to hear him. Perhaps we could have a little more order in the Chamber.

The Deputy Chair: Hon. members, the noise level in the Assembly is affecting other members listening to the debate. The hon. Member for Edmonton-Strathcona has the floor.

Debate Continued

Dr. Pannu: Thank you, Mr. Chairman. I certainly appreciate your intervention. It allows me time to say what I want to say. I hope my colleagues can hear what I have to say. That's the point of standing up and saying what I'm saying: so that at least one hon. member on that side can hear what I'm saying.

Anyway, I think the concern here is that the changes really are heading in the opposite direction than what they should be attempt-

ing to do. We need to increase the role and the significance of student bodies and faculties onto the board of governors on academic councils. This bill and the amendment will do the opposite.

I would certainly ask the minister, unless it's too late at this stage, to consider the concern that I have, which is that reducing the number of people from 10 to 7 and then allowing the Lieutenant Governor in Council on the recommendation of the minister to add additional members will not serve the best academic purposes of these colleges and institutions. If anything, it will in fact dilute and reduce the role and ability to influence the decisions of these boards by two important constituencies in these colleges: the students and the faculty. That's why I would urge the minister to rethink this, unless he thinks that we should put all our faith in his ability to make those judgments.

I think that if you are going to make changes in the legislation, then we should put these things in the legislation, not leave it up to the minister to use his good judgment to interpret these changes, as they're proposing, and to enhance the influence of students and faculty on the board of governors rather than taking measures that will, in my view, reduce that influence.

So with that I will sit down and let the minister respond.

The Deputy Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. I understand the concern that's being raised by both members opposite. If you look at section 44 as it currently stands with respect to the boards of technical institutes, it provides under 44(1)(a) for a chair to be appointed and then in 44(1)(c), "not more than 11 persons appointed . . . in addition to the chair," which makes for 12 people.

What we're proposing is 10 people, with the ability to expand. You know, you're not talking about expanding by five or 10 people. You're talking about where a board wants to have an extra person for a reason. What's happened with respect to some of the boards and what we're finding, of course, is that some of the boards in urban areas are a little bit larger. The board of, I believe, NorQuest, for example, asked for two additional members a year ago to expand their board size because they have a broader mandate, if you will, a broader area to serve and the need to have different talents on the board, different representation on the board. So they wanted to have additional members on their board, and they asked for them, whereas some of the other boards remain at a smaller level. They can do that, and it is quite an effective governance model for them.

What we're suggesting here is, really, to take the section in the act which right now is 12 persons for a technical institute and make it 10, which includes the chair – so 10 instead of 12 – but with the ability to add. So you could go back to the 12 if you wanted to.

The same way with the colleges. Under section 44(2) as it currently reads, the college board is a chair plus the individuals from the college that you mentioned – the staff, students, nonacademic staff – and then "not more than 9 persons appointed by the Lieutenant Governor in Council." So that's, in essence, 10 people appointed by the Lieutenant Governor in Council, including the chair, and the proposal is that the act provide for seven people, with the ability, again, to expand. Now, you're not going to expand it in every circumstance or without valid reason. You would expand it because the board wants additional capacity for a specific reason.

I can understand that you might not have as much faith in me as I have in me, but from where I'm sitting, it's looking good. The reality is that you do have to have a little bit of capacity for variation. The act as it is set up now talks about "not more than 11."

I can appreciate your concern about taking a cap off, but let's be reasonable in what we're talking about. These are board-governed

institutions. The government doesn't come in and sort of massively drop people onto boards. This isn't the Senate of Canada, with a new Liberal government trying to overcome an old Conservative majority. These are board-governed institutions with representatives from the community on the boards.

You would expand a board only in two circumstances: one, if the board believed it needed a larger board to do its job – and we have had that circumstance in urban college boards – or, secondly, if you were looking for a particular type of ability to add to your board. I guess the example I used before, and I think it's still the best one, is if a board was embarking on a major capital campaign or some campaign of that nature and wanted to bring in somebody who had particular connections to the community or recruit someone of that nature.

8:20

There seems to be this theory that these boards are somehow places where government is going to put people for some reason. Well, the reality is that we have 21 solid public institutions in this province with great board governance, a good board governance model, and community volunteers who come forward to bring their expertise and to serve on the boards. They work very, very well, and nobody is going to play with that for the sake of playing with that. What we're talking about here is putting in some flexibility, setting a standard number on the size of the board but allowing some flexibility so you can differentiate between needs of different boards in different locations.

Now, I did hear the hon. member mention a general faculty council, which is a term I used in the university context, but in the context of colleges and technical institutes, of course, we do have academic councils under section 46. So the role of students and faculty and nonacademic staff is not only governed in the context of the appointments to the board itself, but they also have a role to play in academic councils.

As the hon. member knows, I was hoping to bring forward an amendment which would have dealt with academic councils and allowed some flexibility. We do have a provision in the act now, section 46, which sets out academic councils and provides for each of the college and technical institutes to have an academic council which consists of

- (a) the president . . .
- (b) not more than 4 senior officials, appointed as members of the council by the board;
- (c) subject to subsection (2), not more than 10 academic staff members, elected by the academic staff . . .
- (d) not more than 10 students, elected by the students . . .
- (e) not more than 5 additional members, appointed by the board.

Then there are some provisions with respect to what the academic council does, but obviously they are recommendations with respect to standards and policy with respect to admissions, courses and programs, and academic awards.

So section 46, the academic council section, really provides a lot of the strength that the member is talking about in terms of input by students and academic staff to the operations of a technical institute or college. That is really where the students and academic staff have a great deal of their concern.

I understand where you're coming from about having an ability to expand without a cap, but I would suggest that you're not putting anyone in any danger here. Nobody's going to expand the board just on a whim. It would be done in consultation with the board because they wanted to expand their board size, because they wanted to add a particular talent or ability that they didn't have at the time. So that's the nature of these amendments.

Now, I do hope that we can deal with the academic council side

as well because section 46 of the act specifically sets out how an academic council is structured and what it can do. What I would hope is that we would also be able to in some form, perhaps in this Legislature, amend the act by bringing in a provision which would also allow for some flexibility. Instead of the one-size-fits-all academic council structure that is currently in the act, we could have a provision for a board of a college or technical institute, which wanted to have a different form of academic council or needed a flexible structure in some other way than is in the act, which would give it more flexibility, which would perhaps allow it to have a membership, for example, in the AUCC. They could work co-operatively with the minister and say: "Here's the academic council that would work for us. This would work for our college, for our purposes, in the direction we want to go." By doing so, we would be able to bring that in.

So my hope is that we would be able to make, again, some provision in the act under section 47 by adding a section 47.1 to the act, which would allow us that opportunity. What it would do, then, is give us the ability to set up some regulations which would say that colleges and technical institutes have the standard academic council. But in the same way as we're suggesting in this section, if they wanted to have a different composition of the board for some reason, if they wanted to have a different academic council for some reason, they could work with us, and then we would be prepared to if we could come to an agreement that the academic council worked and it didn't abuse any of the needs of the system fit for their purposes and fit for the purposes of the system. We could have that specific academic council for that specific college or technical institute.

In addressing what you're talking about with respect to the board and your concerns about the flexibility, what I guess I'm trying to say is that there is sometimes a need for flexibility. I don't think that the opposition needs to be unduly concerned about that. Certainly, I don't think that this minister or any minister would abuse that flexibility. There's no good reason to add members to the board willy-nilly. It obviously would have to be done for a purpose and would be done with the concurrence and, normally, almost exclusively at the request of the board of a college or a technical institute.

I hope that clarifies it for the member. I'd be happy to answer any questions.

The Deputy Chair: The hon. Member for Calgary-Currie, followed by the hon. Member for Edmonton-Strathcona.

Mr. Taylor: Thank you, Mr. Chairman. I wanted to rise and specifically say that I am encouraged and delighted to hear the minister talking about the need to build in some flexibility to college academic councils. There is the need to do this. From the way the minister is talking, my understanding is that this flexibility would be open to any public college in the province of Alberta if they wished to take advantage of it and work with the minister and cabinet in sort of custom building an academic council that suited their purposes best.

As one example the minister referenced the AUCC, the Association of Universities and Colleges of Canada. Let me give some credit again to the minister. Despite the minister's best efforts to create a made-in-Alberta national accrediting council here that will actually be an accrediting body for degree-granting institutions recognized across the country, we're not there yet, as I'm sure the minister would agree. In the absence of that specific national accrediting body, the closest thing we have to that is the AUCC right now. A number of us have spoken in this House a number of times about Mount Royal College's desire to some day, presumably some day soon is their hope, become a university, and I know that Mount

Royal College views AUCC accreditation as a key step along the road to achieving that.

That's not necessarily to say that that's the only route that a college in this province could go or would choose to go, but it's nice to have that option. It's nice to have that flexibility. I commend the minister for thinking along those lines and for looking to move ahead with some further amendments, further legislation of some sort that would allow this kind of flexibility in academic councils.

8:30

I guess the only thing I would say beyond that is to encourage the minister, if and when he does so, to design this in such a way that whatever regulations involving the Lieutenant Governor in Council would be necessary to build into this amending legislation would be created in such a way that the minister and cabinet would work collaboratively, concurrently with institutions or set themselves up as an instrument of ratification, if you will, so that the institutions can take the lead role, with consultation from the minister obviously, in designing and custom-building the academic councils that they feel that they need. Obviously, if they come forward with an idea that stinks, I don't think the minister is going to approve it. The minister knows what works.

So as long as the regulations work in order to allow the minister and cabinet to work collaboratively, concurrently in conjunction with colleges or to come along afterwards and ratify what the colleges have done rather than constricting the colleges in setting too many rules ahead of time, I think that would be a fine piece of legislation, and I would be pleased to support that.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Strathcona, followed by Lethbridge-East.

Dr. Pannu: Thank you, Mr. Chairman. I'm pleased that the minister has recognized that one of my concerns is with the lack of a cap on the number of people on the board. He may be right that any increase has to be justified and has to be reasonable and whatever have you, but I want him to put himself in the position of students.

Boards of governors are responsible for making decisions on tuition fee increases every year, and tuition fee increase is something that's the experience of students in postsecondary institutions in this province for the last 12, 13 years or more. You know, consistently year after year after year there have been tuition fee increases. So any increase, any addition to the board of governors, in my view, should be so designed as to enhance the presence of students on boards of governors so that their position with respect to, say, tuition fee increases can be heard by the hand-picked members on the board, that are hand-picked by the minister or by the Lieutenant Governor in Council.

While I recognize the argument that there will be no unreasonable increase in the overall number of board members as a result of this amendment, whatever increase there is, there's no assurance here that that increase will be done in a way which will enhance the presence of students on these boards and the ability of the student representatives to make their point with respect to the tuition fee issue, for example.

The tuition fee is a very major concern. Tuition fees have tripled in this province over the last 12 years, and students ought to have by legislation the ability to have a strong voice on those bodies in our academic institutions that make those final decisions on tuition fees, and boards of governors are those institutions. This change doesn't assure me that student representation will be the one that'll be

strengthened and increased if this amendment is passed. That's the point I wanted to make.

Thank you.

The Deputy Chair: The hon. Member for Lethbridge-East, followed by the hon. Member for Edmonton-Gold Bar.

Ms Pastoor: Thank you, Mr. Chairman. Part of this is comment, and part of it would be a question to the minister. I, too, have a concern, as my colleague to my left here. I guess my question to the minister would be: in essence, it doesn't matter in my mind if the number of board members goes up or if it goes down. Would the percentage not change? If you've got so many students, so many publics, however they got on there, would that percentage change? If it stayed the same, it probably doesn't matter how the numbers go up or down. If I've made myself clear on that.

The other thing is that if all of the colleges and the universities are going to have different ways of setting up their academic councils and their boards, then their governances will be different and then have to apply to the particular institution that they have. But with this change, I would hope that governance and the way that it's structured would be taken into effect when students read *Maclean's* magazine, for instance, when they find out how a particular institution is run and if it's really what they're looking for and would fit in with their academic plans. I would like an answer to: regardless of the numbers, would the percentage of whatever the representation is stay the same?

The Deputy Chair: Hon. minister, do you want to respond?

Mr. Hancock: If I may, Mr. Chairman. Clearly, the bill itself or the amendment to the bill doesn't provide for percentage representation; it provides for fixed representation. So if the board numbers went up in either the existing amendment that's in the bill or in the one that's proposed tonight, there wouldn't be an up and down based on the numbers of the student and faculty and nonacademic staff.

But, clearly, the concept here in 44(1) and 44(2) is that students, staff, and nonacademic staff ought to be represented on the board. In the course of the technical institutes it says: two, two, and one. In the course of the public college board it's one, one, and one. The concept is that they're represented on the board. They're never going to have a sufficient voting capacity to run the board. It's representation, and there's clearly representation on the board provided for. So if the board goes up by one or two members, the fact that the percentage interest is diluted isn't going to affect the fact that they have representation on the board and that representation is as strong as the people they recommend for appointment to the board.

I don't see a real concern from that side either from your comments or the comments from Edmonton-Strathcona because clearly the concept is for representation. The proportion of representation isn't sufficient to give them control of the board or an ability to significantly change the way decision-making is on the board, but clearly their interests have to be represented to the board and represented on the board. So I don't think that that concept is damaged at all. In fact, it's clearly in place, clearly understood that there's a role for students, a role for faculty, a role for nonacademic staff on the board governance of a college or technical institute, and that should continue.

Now, I would be concerned, however, if students in this province got their information about which college or technical institute to go to from *Maclean's* magazine. That would be a problem.

Ms Pastoor: Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to participate in the debate this evening and specifically discuss amendment A1 to Bill 9. Certainly, I have listened with interest to all the hon. members who have participated in debate this evening and with disinterest to the chatter that is constant in this Assembly. This chatter seems to be a regular Wednesday evening occurrence, this loud chatter in the Assembly.

Mr. Chairman, for the hon. Minister of Advanced Education I have the following question, and this is regarding the Auditor General's report for 2004-2005. I'm sure the hon. minister has had time since the second week in September to have a good look at two of the recommendations. Actually, they're recommendation 1 and recommendation 2 in the cross-ministry section of the Auditor General's report, and they're dealing specifically with appointments to boards.

Now, certainly, there are many boards appointed by the government in this province. One has to keep track of them through the *Alberta Gazette* or through one of the very good newsletters that come out on a weekly basis reporting on the activities of this Legislative Assembly. As I understand it, there is no formal list. Would the minister – and I'm just going to be specific for his department – be willing to list publicly, downstairs in the library and on the Advanced Education website, all the individuals who are appointed through this ministry to various boards, how long they're going to be there, how much, if anything, they are to be compensated, and list the vacancies as well? Perhaps if there's a student in the city or one in Calgary or maybe one attending Mount Royal that would be interested in applying for one of these directorships or seats on the board, well, then they would certainly have that information present, a comprehensive list of who is serving, for how long, for how much, and if there are any vacancies.

8:40

Now, I would be a lot more comfortable with this amendment if the hon. minister was agreeable to that. Certainly, we have to be cautious about allowing – and I don't want to use the term “willy-nilly appointments” – additional persons appointed by the Lieutenant Governor in Council upon the recommendation of the minister. It concerns me when the Auditor General states the following, and this is recommendation 1, Mr. Chairman.

We recommend that the Deputy Minister of Executive Council update Alberta public sector governance principles and guidance so that they are consistent with current good practices for recruiting, evaluating and training directors.

Now, recommendation 2 is this, Mr. Chairman. “We recommend that the guidance include a statement that governing boards evaluate and report publicly their own performance against both Alberta public sector principles and their own board governance policies.” I could discuss these two recommendations at length, but I don't think that at this time it is necessary. It certainly does concern me that the hon. member is proposing to have additional persons appointed upon the recommendation of the department, or himself in this case, and these are red flags by the Auditor General in regard to the whole process.

In conclusion, I would like to note for all members of this Assembly whenever they consider this amendment A1 that the Auditor General also had this to say, and this is in regard to guidance for director recruitment and the need to have a better system. Now, in the audit sample, it is noted here in the report, half of the organizations did not have a memorandum of understanding. The Auditor

General also saw that the directive for recruitment should be enhanced and that the commitment made to its guidance should be reinforced since it was not consistently being followed. It goes on to say here in the Auditor General's report that about half of the organizations had deficiencies in their processes for evaluating boards and directors. Through this amendment we want to have this sort of credit card for directors with an unlimited amount.

Now, it also goes on to state here: “Orientation training for directors was provided,” and I think this is a good thing. “However, the establishment of continuous training programs was inconsistent.”

The Auditor General's staff in this audit go on to state here:

In our literature search, we noted that the amount of guidance on good governance has grown substantially in the last few years.

That is good to find out. However,

this was largely in response to governance failures in the private sector which is why the guidance is expressed in private sector terms. Nevertheless, this new guidance provides important and relevant insight to opportunities to improve governance in the Alberta public sector.

There are also other recommendations here, Mr. Chairman, but certainly I would urge the hon. minister to have a second look at recommendations 1 and 2 in the cross-ministry report before appointing any additional persons in the manner that is being suggested with this amendment A1.

Thank you, Mr. Chairman.

The Deputy Chair: Does anybody else wish to participate in the debate?

Mr. Hancock: Well, Mr. Chairman, I hesitate even to respond to those comments only insofar as the hon. member has taken what is clearly a discussion of the Post-secondary Learning Act and board governance into an opportunity to draw in the Auditor General's report on appointment to boards. I do want to speak to it for the purpose of indicating that we have 21 public institutions in this province, board-governed institutions, ranging from the University of Alberta, which would be the largest both in size and in budget, three other universities, two technical institutes, the rest colleges, and, of course, the Banff Centre, which is a public college as well but governed by its own governance structure outside this act.

I want to assure the hon. member and every member of the House that appointing members to public governance boards for colleges and technical institutes and universities in this province is not something that's taken lightly. The positions are made known. The boards themselves normally have a committee of the board which is concerned with board governance and with board membership. When there's a vacancy, they tend to look at the competencies that are available to them on the board, the skills, knowledge, and abilities that are available to them on the board. Most often I will get a letter from the board indicating the type of individual, whether it's someone with an accounting background or someone with a legal background or someone that represents a particular geographic area that they don't have on the board. So I can assure the hon. member that his concerns are entirely without basis in this circumstance.

When it comes to our publicly governed educational institutions in this province, governance is very thoughtfully considered. It's very thoughtfully considered by the boards themselves in terms of the capacities that they need, the people that they need to represent the communities that they represent, both geographic and demographic communities that they move into, and they take a very active role in board member search. In many circumstances the positions are advertised within the local community. Certainly, when it comes to a chair position, they're advertised in the local community. When recommendations come forward, they go through a screening

process, so an assessment is done as to whether they meet the qualifications for the board, and then, of course, it comes forward to the minister for a recommendation to be made.

So the process is a good one. The quality of board members has been exemplary. The individuals that serve their communities on our public institution boards are a stellar group of people, and they do good service. I don't think it would serve us well to undermine them in any way by indicating that there was not a proper process in place for appointment, because there is.

With respect to your suggestion that they be listed on the website, I'll take that under advisement. There's certainly no secret as to who's on the boards. If you go to the website of any of the public colleges, you'll find listed the names of the people who are on the boards. Their financial statements every year, which are compiled and filed in the House here, I believe – I don't know this for sure; I haven't looked specifically – would indicate how much is paid on board governance. I can tell you that it's a pittance. I can tell you that it's a mere honorarium that in many cases, I know for a fact, the board members sign back to the college.

You don't have to worry about members volunteering to serve on boards for our public institutions in this province being overpaid. In fact, the Member for Lethbridge-East, behind you, served with me for seven years on the Students Finance Board, and she can tell you that the compensation, if any, that was received for that service did not in any way make one able to forgo whatever prosperity bonus might come her way.

The Deputy Chair: Anybody else?

[Motion on amendment A1 carried]

8:50

The Deputy Chair: On the bill, the hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you, Mr. Chairman. It's my pleasure to participate today in the debate on the amendment. One area of interest that I have, obviously, having worked and taught at the university, is a tuition policy. To quote the Auditor General's report from 2002-2003, a number of concerns were raised, but the most urgent, I guess, that I wanted to hear in relation to the new amendment was whether the requirement for postsecondary institutions to comply with a tuition fee policy will now have new teeth. The criteria identified were:

1. Data collected by the Department should be reliable, timely and calculated in accordance with the requirements of the Policy.
2. The Department should ensure public post secondary institutions comply with the Policy.

Some of the findings were that there needs to be more clarification about how that calculation is carried out, that there needs to be perhaps a little more ease in administration of the policy, that there needs to be a more timely calculation instead of up to 18 months after the institutional year-end that the calculation is completed and the recommendation then addressed, and, finally, repeating that in one instance a college exceeded the limit for three years in spite of the policy.

So what kind of enforcement capacity is there to address the policy itself? Could you discuss that, hon. minister, in relation to the amendment and how some of those concerns will be addressed?

Mr. Hancock: Mr. Chairman, it's hard to see how the issues that were raised by the member actually relate to the amendment other than there is an amendment to clarify section 61(2)(b), so I presume

that's where he's coming in with the Auditor General's report. But this isn't Public Accounts. This isn't the budget. This isn't really the place to do that.

However, I can assure the member that we take the Auditor General's comments seriously. The Auditor General's comments have been provided not only to the minister and to the department but also to the institutions involved. We always indicate that we make every effort to accept and to implement the Auditor General's recommendations where it's possible to do so. So outside the context of the bill that we're debating, I can say with some assurance to the hon. member that when the Auditor General raises concerns about an issue relative to how things are calculated or done, we take it very seriously, we follow up on it, and we make every effort to comply.

The Deputy Chair: The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you, Mr. Chairman. We have dealt with the amendment that the minister has brought forward, so we are now back to the discussion of the various clauses in the bill itself, Bill 9, the Post-secondary Learning Amendment Act. With that in mind, I'd like to make a few comments.

This is overwhelmingly a piece of housekeeping legislation. Most of the changes proposed in Bill 9 are not overly problematic to us, although they do raise some concerns. I think I've indicated already that perhaps we're giving too much control to the minister through orders in council, upsetting the balance of membership on institutional boards of governors and a number of other minor issues.

One of the changes that is proposed is a repeal of section 49, listing four nonprofit private colleges receiving funding from the government. In fact, we have a number of nonprofit private institutions operating in this province now, exceeding four. I believe the intent of the minister, primarily, was to address that reality, address the eventuality that there could be more nonprofit private colleges coming down the pike later on. The ministry is seeking flexibility again as more institutions are granted authority to offer degree programs and will receive funding according to regulations. Historically the ministry has given assurances that for-profit institutions will not receive public funding, and I would certainly like to hold the minister to that going forward. It is, again, I think primarily housekeeping, but we will be watching the implications play out from this in the years to come.

I want to make a very quick comment about this tuition fee policy. It's good on one level. It's good that the minister is modifying the tuition fee policy to provide an additional academic year before the newly calculated limit applies because, as my colleague from Calgary-Mountain View pointed out, according to the annual report of the Auditor General there have been colleges that have been out of compliance and one college that exceeded the limit for three years, et cetera, et cetera. It's good that he is doing something about that, but I can't help but note, because we were talking about this in the House in question period yesterday, that there is a new tuition policy in development for colleges and universities across the province. The minister committed yesterday to holding the line on freezing tuitions in this province until that new policy is developed. I asked him whether he would do that no matter how long it took to develop the policy, and in his answer he assured us that the policy would be developed within a year, if I recall.

So we're left with a situation here where, well, good on the minister for doing what he's doing, but you almost have to wonder if this couldn't have waited. If we've had a problem with this for two or three or four years, even though it's been identified now by the Auditor General – and, yes, the minister likes to take the

recommendations of the AG very seriously, likes to be in compliance and all the rest of that, likes to do the right thing, and loves his mother too, I'm sure, as we all do. But you kind of wonder: couldn't this have waited? I've never met your mother, but I'm sure she's a lovely woman. Couldn't this have waited until the new tuition policy came down the pike?

It's rather like the horse having bolted the barn, coming along closing the barn door after the horse bolted, but knowing that you're just going to tear that barn down anyway in a few weeks, and good thing that you are because the barn is falling apart, otherwise the horse probably wouldn't have gotten out in the first place.

I'm in a bit of a conundrum, I suppose, about this. Yes, you're doing the right thing by making these changes, by modifying the tuition fee policy, but, you know, it hardly seems to make much difference in practical terms given that you're going to change the policy anyway and we're going to have to go through this all over again before too much longer.

One other thing that I want to talk about – let's see – is sections 4 and 9 in the bill, I believe. They repeal section 53(a) in the Postsecondary Learning Act, regarding the Private Colleges Accreditation Board. Again, that's fairly obvious because the Campus Alberta Quality Council is designed to replace it. However, what this does is highlight the fact that there are still no serious reporting requirements for the Campus Alberta Quality Council. One has to wonder when those are going to be coming through. Soon, I hope, because that's important.

In sections 110 to 115, also sections governing the Private Colleges Accreditation Board that are being repealed, we note that the PCAB had an explicit budget, records, and reports section that, among other things, mandated establishing a budget and providing annual reports. No similar sections are included for the Campus Alberta Quality Council. They should be. Accountability and transparency require publicly available annual reports. Now, I said publicly available annual reports. We all know in this business how many annual reports land with a great thud on our desk on a fairly regular basis, and I dare say that we don't all read every single page of every annual report, but it's important that they be available. So I would urge the minister to address that issue where the Campus Alberta Quality Council is to make it accountable and transparent.

9:00

The only other real concern that I have – I don't know the degree to which I have a concern. I suspect that like many other sections in this bill, it's something where the intentions are good; there's unlikely to be abuse. But because of the inclusion of this section or the way that section is worded, there is, however unlikely, the possibility of abuse, the potential of abuse. That is in section 10 of the bill, the additional powers to collect information for applicants and alumni in addition to students. I think that's section 10. Yes, it is. It's primarily so that the minister can conduct surveys, I think in accordance with Bill 1, really, around accessibility, affordability, quality issues in postsecondary education.

I can well understand the need and the desirability of being able to conduct those surveys. I'm pleased to support good data collection and good analysis to support system policy, to identify areas where system policy needs change and improvement and then to act on that. But in my view this government does not have the best possible record when it comes to the protection of personal information. As a rule, the less personal information that is collected and stored – and, yes, under section 10 we don't really have any time limits on the amount of time that the information can be kept. We have time limits governing how much time the minister has to request information about a particular applicant. I'd like to see some

time limits or some limits on the kind of personal information that can be kept, how long it can be kept for, and what purposes it can be used for.

I'm not accusing anybody of anything here, but I do note with interest, and I've certainly heard this from a number of my constituents, that students in postsecondary institutions, especially as they near and pass graduation, have this funny way of being inundated with credit card come-ons from various banks. Now, where do the banks get that information from? Where do the banks get the list of college and university graduates from? I can't provide that answer myself, but I certainly have my suspicions. It brings up the question of whether there are sufficient safeguards on that information.

You know, I think that anybody who's bright enough, qualified enough to get into a postsecondary institution in the province of Alberta, especially at the university level considering how stringent the entrance requirements are now as a result of the access problem that the minister and I have talked about both in this House and at the minister's forum early this month and in various other venues together and separately, who is bright enough to get into the system and succeed in the system and graduate from the system is also bright enough to decide for him or herself when or if he or she wants to apply for a credit card and what institution they want to go see. You know, once they've decided whether they'd really like a Visa card or a MasterCard or an American Express card, they don't need all this junk mail coming from every bank and credit card company in the free world saying: "Hey, you graduated. You're a great prospect. We know we can get our hooks into you for years. Why don't you sign up for one of our credit cards?"

It's but an example of what I consider, and certainly what some of my constituents who have talked to me about it consider an abuse of privacy, an invasion of privacy, an abuse of personal information that's collected and stored at some level in some location on them. I would urge the minister to put some time limits and other limits on the collection, storage, and use of that information so that it's used specifically for the purpose intended, which is so that the minister can survey people like students who have applied to a particular institution, been accepted by that institution or not, but for whatever reason have then decided not to go ahead and enrol in that institution, so that the minister can find out why Johnny or Janie chose to go to university A versus college B or something like that. That's the purpose for which the minister wants this information.

Let's tighten up the regulations around this. I suspect that this is something that perhaps you could do in regulations. It would be nice to see it in actual legislation, in some kind of overarching, governing legislation around privacy at some point in the future, to tighten up the rules around the collection, storage, and use of personal information so that it's used for the purpose for which it was intended and only that purpose.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. Certainly, starting from the last point, I believe that the privacy laws in this province, particularly as it relates to public information but also even now to information in the private sector governed by the two acts that we have, clearly make it an offence to use information other than for the purpose for which it was collected and under the exceptions provided in the act. Obviously, the information that we're talking about here under section 10 is needed for some very, very good reason. For example, we often have discussions about student debt in this province, and when I talk about student debt as minister, I talk about the student debt owed to the public because that's what we

have information on, but there is anecdotal evidence to suggest that a considerable number of students are going out to some of the nefarious banks that the hon. member was talking about and taking out a line of credit, which boggles my mind. For the life of me I don't understand why anybody would go to a bank to get a student line of credit when we have a student finance system. [interjection] The hon. member was making some comments which are not on the record.

The bottom line is that in order to get a good handle on information like how much student debt there actually is out there in all areas and to find the people who are not taking out student debt from the Student Finance Board but taking out student debt elsewhere and to find out the real reasons why they're not doing it, what their barriers to success were – in many cases when I talk to students who anecdotally tell me about their student debt and the reason they couldn't get it, I find out they didn't avail themselves of the appeal processes so they actually could have potentially had student finance debt, but they didn't go that direction. Now, that's a useful piece of information because what it tells us is that we're not letting people know of the appeal process well enough, or we're not doing something to make it as accessible as it should be. But unless you have that kind of information, you can't make the changes necessary to make the process work.

So you do need to be able to collect information from students. You need to know who's applying where, and if they're not getting in, are they getting in somewhere else? We have, for example, in Calgary in the last couple of years reported student numbers of people who applied but didn't get into institutions. Now, I know from research data that most of those students did get in someplace. In some cases there were duplicate applications: they were applying to two or three or four programs and they got into one program, or they applied in Calgary and they also applied elsewhere and they got into one of their other programs. I don't have solid data on that because I can't go to the individual students. We do have a student identifier number, so we're able to do that better.

This particular section just allows us to have access to the information necessary to get that management-type data and follow-up data to improve the system for the benefit of students. I can assure the hon. member that we will protect that data. We're not in the business of selling data to credit card companies. I'm not sure what that allusion was, but I don't believe any of our public institutions would be in the business of selling their data. It would be against the law to sell the data to a credit card company or anyone else unless the students had specifically said that they could. The data isn't collected for that purpose. Under our privacy laws, both public privacy laws and private-sector privacy laws, you're not allowed to use information that's collected except for the purpose for which it was collected. So I, too, am sometimes very interested in how companies get hold of the names.

This section will not make that type of data publicly available in any way. This section will simply make it easier for us to get the information that we need to make the system better for learners in Alberta. Certainly all of my efforts will be towards that. If there needs to be some guidance in regulation or something more strict put in place to ensure the protection of the data, I would be the first to want to do that.

9:10

With respect to tuition policy I certainly have to agree with the hon. member that it seems rather unnecessary to amend this section at this point in time. This came forward through a process. Most often legislation is done very carefully, so the policy goes through a process. The recommendation comes forward. There's consulta-

tion. It's a one or two or sometimes three-year process. This happens to be the end of a long process, and if we were to start it now, we wouldn't start it now. It's here, and it's not that it doesn't make sense to do it; it makes the existing law more understandable. But the hon. member is right: we didn't use the existing law this year, we're not planning to use the existing law next year, and by the time we use the existing law again, it won't be the existing law. So I'm not sure if the horse and barn analogy is correct, but I do agree with the hon. member.

With respect to reporting requirements for the Campus Alberta Quality Council, I think that that's a very interesting comment and one that I do need to follow up on. The quality council has been up and running for a little over a year now. It has met, it has done its first business in terms of reviewing programs and approving programs, and now we do need to take a look and see: okay, how do we make it accountable and reportable and deal with those issues?

I hope to be meeting with the quality council soon on those very sorts of issues, and maybe we'll be able to advise the hon. member at some time in the near future what might come forward in that regard. It's not in this particular bill, but I do take his comments. I believe it's valid for the public. Not everybody in the public is going to know or care what the quality council is, but those that do ought to be able to have access to understand its workings and to understand what it's doing.

With respect to section 3, the repeal of section 49, section 49 is a bit of an anomaly. No other public institution is actually named in the act. Section 49 names four institutions that are defined as not-for-profit colleges and then goes on to provide for mechanisms for public payments to be made to private not-for-profit colleges. This amendment is simply to delete the list of names because we have an ability to add to that list by regulation and, in fact, have added to that list by regulation.

We no longer define not-for-profit colleges in the way the act defines them in terms of those four particular colleges. In fact, one of them is now part of the University of Alberta. The other three are still in existence and still fit the bill and still actually get public funding. So repealing this section doesn't take away their public funding.

In fact, we also have Taylor University College, St. Mary's University College, and at least two others that now have some, not all but some, of their programs funded publicly, so they should either be added into the act or these should be taken out so that there's a consistency. We felt it more appropriate that these be taken out so that there can be some flexibility as new colleges come along as there may be private not-for-profit colleges that offer programs that we do fund publicly that we could add by regulation. We've added Taylor. We've added St. Mary's. We've added a couple of other colleges this year, in fact in this budget year, and fund some of their programs. So this just cleans up the section and makes it clear that not-for-profit private colleges are not limited to those four.

I think that addresses the concerns that were raised.

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

Dr. Pannu: Thank you, Mr. Chairman. I've been listening to the debate carefully, and the minister has addressed some of the concerns that have been raised with respect to section 5 on tuition fees.

While he has conceded that we are discussing something that perhaps is already out of date because his new policies are in the process of being considered, I suppose, the minister had his forum a couple of weeks ago, and he had some time to think about what kind of amendments that he wanted to bring to this bill to perhaps

assure students with respect to their concerns. We should have seen, in place of the minister maintaining the provisions here that speak to tuition fee policy, in fact amending these by bringing in a tuition freeze at least to indicate, to show, to make a statement that the minister has listened and that he's willing to take action, and the minimum action he's going to take is to amend the existing piece of legislation to commit the government to freezing tuition fees at the present level.

I wonder why the minister hasn't chosen that option rather than leaving what he now clearly recognizes as an obsolete provision in the act because it may be overtaken by events by the time these changes become legislation and are ready to be translated into policy. So I wonder if the minister would like to comment on that.

His explanation with respect to all the information that he thinks the department would like to have on students' personal information. This is in section 10. Some of the comments that he made about what use that information may be put to do have a ring of plausibility, but I'm not convinced that this sort of very broad mandate that he is seeking by way of legislation to have access to information collected by colleges or universities is going to be of much use.

Secondly, if there are identifiable uses to which the information will be put by the department, then maybe those are the ones that should be identified before this broad mandate is sought to have access to information that students in good faith provide to colleges and universities in order to seek admission and for no other use. What the minister is asking here is for the institutions to in fact act in what might be considered by students bad faith because students give that information, fill in the applications on the assumption that that information will be used strictly for the purposes of selection and admission.

What this piece of legislation does is to redefine the uses of that information and oblige institutions to allow the minister to have access to the information that wasn't collected explicitly for purposes other than admissions and selection. So I think there's a problem here as I see it. The institutions will or could be accused by students of acting in bad faith. The information was collected by institutions for a certain purpose and now, since the minister has legislated for the institutions to provide that information to the minister, the information is being used for a purpose for which it wasn't surrendered by the student, there is a concern that I have there.

It's an ethical issue here. There's a matter of institutions being put in a very difficult situation where they will have to perhaps address students' complaints. I don't know if this matter is justiciable or not. Students could take institutions to the court in a worst-case scenario because it is really about the use of information that students give to institutions based on certain assumptions, what the information is going to be used for. They don't give a *carte blanche* to institutions to use the information to do whatever they want with it unless my understanding needs to be corrected. If so, the minister will perhaps do that.

9:20

One other provision here has to do with going back three years. The information not only that is current but "information is requested by the Minister no more than 3 years after the date that the applicant applied." Oh, I see. It is that after three years the minister will not be seeking the information, if the information is more than three years old.

I think the principle issue that I take with this part of this section is this piece of legislation calling on the institutions to create another use post facto for the information that they collected only for reasons of selection and admission. So that is a concern. It does deal with

the issues of privacy. That matter has been raised, but in addition to that, the concern that I've raised I think needs to be addressed, and perhaps the minister would like to put himself on record on that one.

Thank you.

The Deputy Chair: Hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. On the information issue I'm just going to have to agree to disagree, I guess, in that, I mean, we can discuss the value of information and the right of individuals to have an understanding of the protection of their privacy. I think the hon. member and I would agree that people are entitled, unless there's good reason, to expect that their information will only be used for the purposes for which they've disclosed it. Most people making application to a university or college believe that the reason they're disclosing their information is to grant admission to a college. But there are also supplementary reasons for which information might be used, whether it's – well, I won't go into that. I was going to say whether it's health information or other information, but let me not stray into that area. That could be dangerous.

There are valid public policy reasons for which you need to be able to access personal information. As long as that information is protected, as long as it's used for an appropriate public policy purpose – and in the case of the act here we're talking about a public institution system of advanced education for which the public pays a very, very significant cost, investment so that we can have a system which will increase opportunity for Albertans to advance their education, and that's a good thing. In order to do it properly, we need to know who's going to school and who's not going to school. In the case of those who are not going to school, why, so that we can find ways to encourage them to go to school; for those who are concerned about finances, for example, what their concerns are. Those are valid things for public policy reasons to have information on.

Nobody is going to take student information and sell it on the street. That's not the purpose of this. That's not allowed by this. I think most if not all students would understand that there's a public policy reason why information that they might give on an application might be accessed to determine not only their admission but for what reason they might not have been admitted to one or two or three of the places they applied to or whether, in fact, they didn't get admitted to any of the places they applied to, and therefore there's a hole in our system because there needs to be a place for them. Those are valid reasons to gather information. I think most reasonable people understand that, even though they want to make sure that their personal information isn't used for invalid reasons.

I don't believe that it is an ethical issue at all. In fact, I stand to be corrected, but I believe that the provision of this would have been run by the Privacy Commissioner before it was brought in. It was brought in last spring, and I don't remember specifically, but I'm sure that we did that because that would be our normal practice. So I don't think there's an ethical concern at all in this.

I do understand the issue being raised, but I think most reasonable people understand that there is a need to gather information of this nature. This is a public investment. It needs to have the benefit of good information. Sometimes that information has to come from the people involved, and therefore you have to be able to find them and ask them. So I think section 10 is well founded and has a good basis, and I would ask the Legislature to support it.

With respect to the tuition policy, quite frankly, I do not believe that you make legislation rashly. The Premier indicated in February of this year that by the fall of 2006 there would be a new tuition policy, and there will be. I've indicated that we hope to have that

available for public review by as early as March of next year. That doesn't put it in place for the budget discussions that postsecondary institutions are having right now for their fall 2006 tuition fee policy. They have an obligation to consult with students. They have an obligation to bring in their budgets. Putting a new tuition policy in place and having it available by fall 2006 doesn't assist in that process.

The Premier has made the commitment publicly that tuition fees would not go up. There was the \$43 million that was put into the system this year to pay the increase this year. The Premier has indicated that that will be sustained until the new tuition fee policy comes in, and I've indicated that that will be early next year. So you may well be right: this section may never have efficacy again. But rather than eliminate it and put in a freeze provision, which we then have to come back and tinker with – I'm not a believer in doing legislation rashly. I think that we will go through the process of developing the policy, there will be a good public discussion of the policy, and then the policy will be brought forward to the Legislature, presumably for necessary amendments to the Post-Secondary Learning Act at that time. In the meantime we can give effect in the same manner as we have this year to the intention, which is to keep tuition fees affordable for another year while the discussion is going on.

The Deputy Chair: Are you ready for the question?

The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I thank the minister for responding specifically to some of the concerns that I raised here. With respect to the personal information on students and the ability of the minister to access that information, for public policy purposes I agree that that information is needed, but that should be in an aggregated form. If the minister wants information, he should ask for it in aggregated form. If he wants to know whether low-income students are walking away from universities – they're not completing their programs more so than students coming from high-income families – then that information can be had in that form: low-income versus high-income family background of students. Aggregated information does protect the personal nature of that information yet provides useful information for public policy purposes.

This kind of information I think would be sought by creditors, people who are trying to chase, I suppose, some debt defaulters. If that is one of the intentions of collecting this information, then I think that's a matter that should be left – when banks are the creditors, banks are lending money to students, then it is the responsibility of banks, not of this government, to collect that information. Students are going to banks to seek loans, not going to the government. Insofar as the public dollars are concerned in the form of student loans, the Students Finance Board should have that information, and I'm sure it does. Why would the minister want that kind of information collected or have access to that kind of information? As I said, the minister's claims for why he wants information sound plausible, but they're not terribly persuasive.

The fact that the government is a sort of benign big brother and therefore any information that it seeks is safe I think is a perilous assumption. I think governments make mistakes. Governments don't necessarily always use the information in the right way. Therefore, it is appropriate to put safeguards in the legislation so that the purposes for which the information is being sought are clearly outlined, the kind of information that's required is appropriately outlined, and proper safeguards for the use of that information are also there. I don't find them here. I think there's a bit of a *carte blanche*: give us all the information, and then we'll know what to do

with it, and that will be decided later on after we've got the information in hand. So I continue to have concerns on it.

Thank you.

9:30

[The clauses of Bill 9 as amended agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report Bill 9.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Leduc-Beaumont-Devon.

Mr. Rogers: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration a certain bill. The committee reports the following bill with some amendments: Bill 9. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

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

Bill 43

**Alberta Resource Rebate Statutes
Amendment Act, 2005**

Mrs. McClellan: Mr. Speaker, I'm pleased to move second reading of Bill 43, the Alberta Resource Rebate Statutes Amendment Act, 2005.

Mr. Speaker, as I indicated in the introduction of this bill, this bill will create amendments to three pieces of legislation: first, the Fiscal Responsibility Act; secondly, the Alberta Personal Income Tax Act; and thirdly, the Child, Youth and Family Enhancement Act. These amendments will give the authority to provide the rebate, a one-time program that provides \$400 to each and every Albertan.

The Fiscal Responsibility Act will be amended primarily so that the cost of the resource rebates is not a charge to the contingency allowance. The Child, Youth and Family Enhancement Act will be amended to ensure that children in care of the province will also receive the \$400. The Personal Income Tax Act is being amended so that the rebate will be treated as a refundable tax credit, and that makes it exempt from provincial or federal taxation.

A highlight of the rebate program, if anybody needs reminding, is that Albertans 18 years and over will receive a cheque, including students attending school in other jurisdictions who still consider

Alberta home for tax purposes. Recipients will have to file a 2004 Canadian tax return and be resident in the province of Alberta as of September 1, 2005.

Rebates for children who are under 18 as of December 31 of this year will be paid to their primary caregiver, which in most cases is the mother. All babies born in 2005 will be eligible for the rebate. Parents of children born late in the year will receive a delayed payment. We expect that that payment could be delivered in March.

The province will administer benefits to the 7,300 children in provincial care. Children's Services will have the discretion to use the \$400 for the benefit of the child where appropriate. Otherwise, children in care are eligible for \$400 plus interest when they reach the age of 18. This will not affect benefits for other provincial programs. Deductions on the rebates will be made for money owing under maintenance enforcement only.

I want to certainly thank the agencies and individuals who have volunteered their time to ensure that all that are eligible for this rebate have the opportunity to receive it, particularly those who have no fixed address or who may have difficulty in filing or filling out a tax return. Many people have worked hard to figure out the logistics of this program, including the legislative amendments needed, and we appreciate their help. We have a dedicated staff, who have been so helpful in answering queries from Albertans about the details of this initiative.

I know that this rebate has come under some criticism, and I may hear some further on that here tonight. There are some who say that the money should be invested. I would say that this money is being invested. By giving it back to Albertans, this is a huge investment in them. Each Albertan is free to spend, save, or invest their portion as they see fit, and I have the utmost confidence that Albertans know what's best for them and will make wise choices. What's best for each Albertan will be good for us as a province as a whole. There is an economic spinoff, of course, in so many people having an additional \$400 to invest or spend, and there are economic benefits down the road for those who choose to put the money away.

Many have told me that they intend to use these dollars for their children's education fund, and that's just great. Many have said that they are going to use it for something special for their family, and that's just great. Many have told me they're going to give it to a favourite group or charity in their community, be it their library, their food bank, the local Lions Club, whatever is most important to them, and I say that that's just great as well.

Some critics have said that rebates are not what people wanted, and certainly I've had letters from people who have said that this was not necessarily what they would have done with the money. However, nobody disagreed that it is their money, and they have the choice to do what they want with it. Interestingly enough, I had a conversation with a gentleman who happened to be from Calgary and was in my constituency, and he said: "You know, Shirley, I don't need this money. You don't need to send it to me." His wife spoke up and said, "You may not want it, but I'll tell you that our daughter and her three kids are most happy to be getting it, so watch it, Dad." That's just the way of the world. To some people it's very important, to some it may be less, but the fact remains that it is their money, and it is their right to use it in any way they wish. It's your future: yes, it wasn't number one in the survey, but it definitely was there.

The number one choice was to make long-term investments, and we're going to have the opportunity over the next days to talk about some of those investments in schools, hospitals, other health facilities, academic institutions, and of course roads, which are always important to all of us in this province. Less than one-quarter of the anticipated surplus this year is dedicated to rebates. Of

course, a significant portion of this is going into savings through the heritage fund and various endowment funds.

I would close by saying to those critics who dismiss \$400 per person as an insignificant amount that it may not be significant to you and I, but to a lot of Alberta families it is very significant. To families who earn a modest income, \$400 per family member is a tremendous benefit. These rebates will do a lot of good for individuals, for families, and I believe for our province as a whole.

I look forward to the debate. I look forward to being able to answer any questions that any members have on this bill. Thank you.

9:40

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

Mr. R. Miller: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to open the debate on behalf of Her Majesty's Official Opposition tonight on Bill 43, the Alberta Resource Rebate Statutes Amendment Act, 2005. This bill, as the minister has just outlined, will provide \$400 in the form of a prosperity bonus, as they're calling it, to all Albertans over the age of 18 who resided in Alberta on or before September 1 of this year.

I want to say right up front that I will be recommending to my colleagues that we support this bill with some serious qualifications. I'm not so naive as to think that I want to be the Grinch who steals the \$400 – I can't say Christmas cheque because I gather that it won't be a Christmas cheque – New Year's cheque. However, having said that, it's clear from the response of many, many Albertans, many that the minister and the Premier have heard from, that for many Albertans this rebate idea is not necessarily the first thing that they would have done with the money. It's clear that if it's going to be done, it could have been done so much better, and that's going to be the thrust of my comments tonight.

Certainly, as the minister has outlined and I've acknowledged several times over the last few months, once the Premier announced that this was his choice, not necessarily the choice of his caucus colleagues but his choice, that this is something he wanted to do, many Albertans need the extra \$400. I've heard from many constituents in Edmonton-Rutherford who have serious concerns about how they're going to address their utility costs this winter, largely due to the deregulation of natural gas. I have had constituents coming to me with serious concerns about their electricity rates doubling in the last few months, again thanks largely to the deregulation that this government has undertaken.

Certainly, there are students who have suggested to me that the \$400 will go a long way towards helping their tuition costs. Many people are saying that they will invest the money in their children's education or in an RSP or put it towards home ownership, perhaps auto repairs – I had one fellow telling me that he needs a new engine in his vehicle, and this is a good start towards that – household needs, and it goes on and on. There's no question that in this land of plenty, when we're experiencing some of the most prosperous times ever, there are more people than ever being left behind. Seventy-five food banks, if you can believe it, are operating in Alberta today despite the prosperity that we're experiencing. So I'm not going to stand here tonight and say that we should not be giving Albertans that \$400.

However, as I said, there are many concerns as well. I think that there is a very real concern about how to make it fair and equitable, and that is one of the problems, quite frankly, with a rebate cheque or a rebate program. How do you decide who gets it and who doesn't get it? I was at a function last Saturday evening, and I happened to be sitting at a table with some very bright young people

working for a software company in Edmonton, one of whom has moved here this summer from Toronto and another who moved here this summer from New York City. I think it's wonderful that we're able to attract people from across the country and, in fact, from across the continent and even, in the case of that particular company, a number of people from around the world that have come here to work. That's a tremendous credit to the spirit of Albertans and the spirit of entrepreneurship that we have here.

These people were thrilled. In fact, they asked me about the rebate cheque when they heard that I was the Finance critic, and they shared their thoughts with me about it. They said: it really doesn't matter to us because we won't be getting it, but these are thoughts we'd like to share with you. Then I was able to inform them that in the case of the young lady from Toronto she would in fact be receiving the cheque, and certainly the fellow from New York. As long as he has permanent residency status, he'll be getting it too. He said to me: well, what about the couple that I worked with when I first came here in August, who lived and worked in Alberta for 35 years and moved to Kelowna to the retirement home in August? So, quite clearly, it illustrates the problem with a program like this. There will always be those who fall through the cracks, and it's one of the concerns I have.

Now, the minister referred to the homeless. There's no question that there are a lot of people that even with the tremendous assistance of the social agencies in this city may still fall through the cracks. If anybody's unsure about that, I'm happy to take them to a business lot that I own in south Edmonton where there are a number of people every night that literally sleep underneath a trailer on our lot. We've gone out there and talked to them and tried to make sure that they're aware of this and so forth. Obviously, we can't touch all of those people, and I have no doubt in my mind that there will be many who are missed. I think that it's a tragedy that there are going to be some in this province who need this more than any of us can imagine, and they're not going to benefit from it. That's unfortunate.

There will be frivolous spending. I know that the minister and the Premier and others have talked about the fact that they trust Albertans to know how to spend this money wisely, but the simple reality is that not everybody is capable of making those wise decisions. We've all, I'm sure, spent time working for various organizations in the casinos and bingo halls and have seen people who, quite frankly, are not capable of making those wise decisions. At the same time, I've watched, particularly in the bingos where I work for the various charities that I'm involved with, the workers in those bingo halls, who are suffering right now due to a downturn in the number of players, rubbing their hands together at the thought of those \$400 cheques coming out because they know that they're going to see a tremendous increase in the month of January or February, when these cheques come out, in the amount of business that they see in the bingo hall.

So despite the fact that I certainly agree with the minister that the majority of Albertans are quite capable of making very wise decisions in terms of how to spend this money, I do have concerns that there will be a lot of people who, unfortunately, are not going to make those wise decisions and in some cases simply are not capable of making the wise decisions.

The minister spoke about the fact that this rebate program will spur the economy. I agree: it will spur the economy. That in itself causes me a little bit of a concern. I think that everybody understands that right now Alberta is experiencing unprecedented growth, and the economy is roaring along at break-neck speed. In fact, we're probably riding the top of that crest, and I'm hoping that it doesn't crash any time soon. Things are going as well as any of us can

remember, I'm sure. I'm not going to say adding fuel to the fire, but certainly I don't think that there are too many people who would reasonably argue that this economy needs to be spurred on any more than it already is at the moment. So if that's an argument that's being used for rebate cheques at this time, it doesn't wash with me.

The minister has said, and I would concur: rebate cheques would not have been my first choice. I know that they were not her first choice. She's been quite forthcoming with that. However, as I said earlier, right from day one, right from the time this first came out and even before that, back in the summer when the minister was being asked about rebates and she was saying that she was no fan of rebates and would rather see something else done, my argument has always been that if you're going to give a rebate, do it wisely. If you're going to give money back to Albertans, do it in a way that is sustainable.

All of us watched with a certain amount of pride, I believe, when the oilfield workers from the Sedgewick and Killam and Wainwright area won the lottery. The hon. Member for Battle River-Wainwright may even know some of those gentlemen and ladies. As much as we watched with pride, I'm sure we all had just a twinge of envy as well, but there isn't one of us in here who would wish to see them just go on a spending spree and blow all of that money. We're all hopeful, I'm sure, that they will invest some of that money wisely and live off the interest. My argument has always been with the rebate cheques that you could do exactly the same thing.

9:50

I'm going to point to the heritage savings trust fund as an example of that. In the second-quarter update, which the minister made public today, it was announced that again the heritage savings trust fund is currently sitting at a book value of \$12.3 billion, which is just about exactly where it sat in 1989, when we stopped making contributions to it. Now, I'm not going to suggest that we haven't benefited from the fact that money was taken out of it because we all understand that the government has paid down Alberta's debt. I think all Albertans have benefited from that. However, having said that, we continue to take money out of the heritage savings trust fund to this day.

The minister announced today a \$5.8 billion surplus. When you add in the rebate cheques and you add in the extra spending that's already been announced, we're up to about an \$8.7 billion surplus this year. Despite that incredible surplus we're still taking nearly a billion dollars out of the heritage savings trust fund and putting it into general revenue. I've yet to hear a reasonable explanation of why we're doing that, why we continue to raid the heritage savings trust fund when there is so much money coming into this province unexpectedly.

When you look at that heritage savings trust fund, even though we haven't protected it against inflation, it would be almost \$20 billion today if we had at least protected it against inflation. Even though we've not done that, that fund is generating almost enough money today to fund a \$400 rebate cheque year after year if that's what you decide to do.

The Finance minister and the Premier have referred to this as a one-time event, a special occasion, a one-off, indicating that this isn't likely to happen again. Yet the simple reality is that over the last six years, not counting this year, which admittedly is exceptional, Alberta has experienced \$22.2 billion in surpluses, and more than \$15 billion of that has been in unbudgeted surpluses. So we're averaging nearly \$3 billion a year for several years now in unbudgeted surpluses. Even in the year 2001, which was, admittedly, a tough year with 9/11, and I know that there were some capital projects that had to be scaled back, we still came in with a \$1.2 billion surplus.

So it's clear to me that as the opposition has been saying for years, the government likes to lowball and come in with a bigger surplus than expected. That's not just us saying that. It's not just politicking. This is a pattern that's been going on for many years, year after year. Quite frankly, there's no particular reason why we should expect that to change any time soon.

I think perhaps this is the point that I've been trying to make, and clearly I haven't managed to convince the minister of it yet, so I'll try again tonight; that is, while I have no particular beef, and I may have in some instances, in general I'm not going to say that we shouldn't be spending money on hospitals or on new schools or investing in the heritage savings trust fund or any of the other things that have been announced. As I say, there are certainly instances that I disagree with, but the concept of spending money in those areas I don't have a problem with. In fact, as the minister pointed out, those were the results of the It's Your Future survey. That's what Albertans want, and I'm not going to disagree with what Albertans want. My argument has and will continue to be the way in which we're doing that.

I just outlined the fact that we've experienced surpluses year after year for many years. I'm confident that that will likely continue for a number of years. My argument is: let's have a plan now, today, not for just the \$7 billion, \$8 billion, \$10 billion that we're going to realize by the end of this year but for the \$3 billion or \$4 billion or \$5 billion or \$6 billion or \$8 billion or \$10 billion surplus that we may have next year and the year after that and the year after that and the year after that. I think Albertans deserve some planning and some forethought for how those future surpluses are going to be spent. I'm not going to say forget about this year. I'm not going to say forget about the \$8 billion or \$10 billion surplus this year. But let's be cognizant of the fact that there's a very real possibility that this might happen again next year and the year after and the year after.

If that's that case, let's be planning now, today, for how we're going to invest that money so that, in fact, not only will Albertans have their concerns addressed about the immediate infrastructure needs, which we all recognize and which are being addressed right now, but let's have a plan for what to do when that's done. Quite frankly, the way that spending is taking place right now, there may not be any need for further spending of that magnitude a year or two years down the road.

That's what I've been trying to say all along: let's make a plan not just for today, not just for this surplus but for the ones that are almost sure to come.

An Hon. Member: How many speakers to come?

Mr. R. Miller: Lots. Twenty or 30 speakers. I'll adjourn debate in three minutes if the members would like, but I'm going to take my full 20 minutes.

The Alberta Liberal policy – it's kind of funny – is a surplus policy. I didn't mention it at the press conference after the minister gave her second-quarter update today because I thought I had mentioned it enough times already, and the media was well aware of what it was. In fact, the minister even said: the opposition has a

plan, and I'm sure he'll tell you about it in a few minutes. I chose not to because I've talked about it and talked about it and talked about it. Sure enough, afterwards one of the media said to me: "Well, I thought you guys had a plan. How come you didn't talk about it?" So I guess I'll take a minute to talk about it.

Our surplus plan would allocate 35 per cent of any budget surplus to the heritage savings trust fund. This year alone under our plan that would be \$3 billion that would have gone into the heritage savings trust fund. Three billion dollars would have gone into a postsecondary endowment fund. I'll give the government credit: they've decided to add another \$500 million to their fund. It started off at \$250 million. You might recall during the budget debate in the spring and during debate on Bill 1 in the spring that I actually said that I thought that the floor, the base level of that fund should be set at \$3 billion as opposed to capping it at \$3 billion. In fact, surprisingly enough, under our policy that's where it turns out it would be today.

Twenty-five per cent of all surplus would go to address the infrastructure deficit, which this year would have been \$2.2 billion. Interestingly enough, last year during the election we talked about that total value being somewhere in the order of \$7 billion, and earlier in the year the infrastructure minister conceded that, in fact, it was \$7.2 billion. More recently I was at a function where he spoke, and the minister of infrastructure said that in reality that infrastructure debt is more likely \$10 billion and perhaps even \$12 billion and that if we don't address it quickly, it could be \$14 billion or even bigger. So, clearly, there's a need to be addressing that, and under our plan it would have been addressed.

The remaining 5 per cent of any surplus would have been allocated to an endowment fund that would address the humanities, the social sciences, and the arts. This year alone that would have been nearly \$500 million, or half a billion dollars.

So, in fact, the Alberta Liberal opposition does have a concrete plan that's been well spelled out for some time now as to how these surplus dollars would be addressed. I'm not going to say that it's the perfect plan. It's a very good plan, I believe. There are other plans out there. Certainly, you can look at Norway and their petroleum fund. You can look at Alaska and their permanent fund. You can look at some of the very, very good work that's been done by the Canada West Foundation this year, where they also espouse the idea of resource revenue plans, and their particular plan is 50-50.

I'm so disappointed that I've run out of time, Mr. Speaker, but I look forward to continuing debate in committee. At this time I would move that we adjourn debate.

[Motion to adjourn debate carried]

The Acting Speaker: The hon. Government House Leader.

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

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

