

Legislative Assembly of Alberta

Title: Tuesday, November 22, 2005

8:00 p.m.

Date: 05/11/22

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

Mr. Hancock: Mr. Speaker, I wonder if it would be in order to ask for unanimous consent of the House to allow members to remove their jackets as though we were in committee, it being fairly hot in here this evening.

The Deputy Speaker: Apparently, this has been done in the past, and if the Assembly feels that the temperature is warm enough and stuffy enough, I will ask for unanimous consent of the House.

[Unanimous consent denied]

Ms Blakeman: Mr. Speaker, I'm wondering if we could revert to introductions.

The Deputy Speaker: Might we have the unanimous consent to revert to introductions?

[Unanimous consent granted]

head: **Introduction of Guests**

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

Ms Blakeman: Thank you very much. Mr. Speaker, on behalf of my colleague the hon. Member for Edmonton-Riverview and the Leader of the Official Opposition I would like to introduce some guests in the public gallery tonight. We have 10 members of the Edmonton Volunteers group, who are joining us in the public gallery. The parent helpers are Jerry and Lenora Penner and Bernie and Bernice Isaac. Please rise as I say your names. Thank you. With them are Miriam, Jamie, Gayla, Melinda, Yolanda, and Carolee. If you would please join me in giving the traditional warm welcome to our guests.

head: **Government Bills and Orders**
Second Reading
Bill 44

Residential Tenancies Amendment Act, 2005 (No. 2)

[Adjourned debate November 22: Mr. Lund]

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

Mr. Elsalhy: Thank you, Mr. Speaker. I am happy to rise and participate in the debate on Bill 44, Residential Tenancies Amendment Act, 2005 (No. 2), as proposed by the hon. Minister of Government Services.

Let me first convey my appreciation to the hon. minister for agreeing to meet with myself and my researcher ahead of time to go over this bill and to discuss its scope. At first look I must admit that I agree with the direction that it's taking, whereby an alternative conflict or dispute resolution model is established parallel to the courts, where tenant and/or landlord can initiate an arbitration process to resolve issues without having to go to court; thus, saving money and time. This is beneficial for both tenant and landlord and will also free up court time to deal with more serious matters.

The fact that twice in one year we're discussing amendments to the Residential Tenancies Act is in itself a strong statement as to how delicate this relationship is between those two parties and how the decisions we make here affect not only the place where people live but also their lives and the lives of their families. I mentioned before that one has to be extremely careful when venturing into this tenant/landlord arena and that a balance has to be struck between the rights and obligations of both parties.

So again, in general, as the Official Opposition critic responsible and if I speak for my caucus colleagues, we are in support of this bill in principle. Having said that, however, we still have a few questions to put on record, and I would appreciate some clarity from the hon. minister.

Number one, with respect to the dispute resolution service administrator and the dispute resolution officers the Official Opposition strongly suggests an open and transparent appointment process to alleviate concerns stemming from the appearance of patronage or cronyism, as is the case with other boards or agencies, especially with this board's suggested quasi-judicial mandate.

The administrator can be a retired judge, for example, someone who can understand the legalities and technicalities and has the expertise and training to adjudicate or to pass rulings as objectively and as fairly as possible. The dispute resolution officers must also be qualified individuals before they join and must receive professional development and continuing training to further their abilities. Recruiting them must be conducted openly, and the criteria for selection, remuneration, and benefits are to be made public for all to see. To that effect, the Official Opposition will be presenting an amendment to address the issue of minimum qualifications these officers should have.

Tenant/landlord conflicts are rarely simple and frequently involve complex issues relating to things like child welfare, health, disability, language barriers, et cetera. Courts are qualified and usually take these issues into consideration. The same has to be guaranteed for this new structure that we're trying to set up. I must say, however, that I like section 54.7(g), which calls for "the establishment of a code of conduct for tenancy dispute officers," a document by which they understand what is expected from them and which helps guide them in carrying out their duties. The decisions rendered or remedies stipulated by those officers are going to be legally binding, so again these people must have a minimum level of knowledge and training before they take on this critical role, and continued support and upgrading has to be offered to them to ensure that they constantly improve and stay on top of what similar bodies are doing in comparable jurisdictions.

My second point, number two, will focus on how this dispute resolution board will be funded. Would it only rely on the fees collected from those applications it receives, or will the government fund it? What happens if the board only gets 50 or 60 applications in a certain year? How will it sustain itself and its employees? Are we going to pay them on a per claim basis? Will these dispute resolution officers be hired on an on-call basis? That is to say, they're only paid if there's a claim they're working on. I need to know, and I don't think I'm prepared to leave this for the minister's sole discretion to be put in the regulations without debate, as is customary.

I don't want people's rent to go up unnecessarily just to fund this board either. By the same token, I also don't want the application fees to be exaggerated. The whole purpose of this exercise is to offer an affordable and simple mechanism for tenants and landlords to reach agreements and resolve their issues not to add further financial burden to the load they're already carrying. This argument

may appear to be representative only or mostly of tenants, but I strongly feel that it also applies to small- or medium-sized landlords whose profitability and earnings may be so that it won't warrant or support a process which is financially restrictive, so it goes both ways really.

Three. My next question would be: how much will an application to the dispute resolution board cost? It is my understanding, from my initial consultation with the hon. minister, that the fees are going to be reasonable, at least initially, but there is the potential that they could be increased in the future to a level which may not be comfortable for some. Is the fee paid entirely by the party initiating the application, or will it be shared by the two parties involved, and if yes, what will the formula be? If a landlord initiates multiple concurrent applications against a number of tenants at once, will they be treated individually and each assessed a separate fee, or will they be lumped together and the landlord is allowed to pay a reduced fee? Also, will some or all of those fees be recoverable?

Four. Under section 54.6(3) and (4) the dispute resolution service can refer matters to the courts. Which courts are we referencing here? From our own consultation as the Official Opposition we were told by many stakeholders that it would be better if we were talking about the Provincial Courts, not the Court of Queen's Bench, which would be more expensive.

Five. My next question is with respect to information I received from the hon. minister that initially the dispute resolution service is going to be implemented as a one-year pilot project. Is this still the case? Will the minister share the findings from this pilot project with the Legislature?

8:10

Six. I would like to gauge the hon. minister's response or support for a second amendment, which I'm working on, which will empower him and his department to pardon or waive application fees for those people who may not be able to afford them. This essentially allows the minister or his designate to exercise his or her power and judgment to cover the application costs for those people who may not afford them otherwise. I think this is useful and positive. We don't want those fees, however low, to act as a deterrent or an obstacle to access.

So, to summarize, we're ready to support this bill and value its anticipated effect on tenant/landlord relations. It couldn't have come at a better time. Offering answers to our questions would be greatly appreciated. Thank you, Mr. Speaker.

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

Mr. Backs: Thank you, Mr. Speaker. I'm very pleased to speak to this Residential Tenancies Amendment Act, 2005 (No. 2). I also spoke to the one that was offered forth in the spring. In the spring I mentioned some cases that had happened in my constituency and were brought to my attention: one where a landlord thought it was in his right to use the bathroom of a tenant and others where tenants were very, very difficult. There are needs to take care of disputes both when you have difficult tenants and you have difficult landlords. To have a process which does not go through the cumbersome and costly process of our law courts I think is a great step forward.

The alternative conflict resolution process put forward here in this bill I think is worthy of merit. I think having it as a pilot project so that we see how it works in a year is wise: the necessity to look at how rights are balanced, to see how we have the ability of both parties in that contract to protect their rights, and to do it in a way that doesn't cause them financial hardship.

You have financial hardship sometimes on the part of small-

apartment owners sometimes as much as you do with tenants. Quite often when you have tenants with big-apartment owners, there is certainly a very difficult time for them to take on the huge-apartment owner, especially when they own thousands of units. Having this process I hope will prove to balance that and to make it so that these rights are more equal.

The flexibility that we see in this residential tenancies act does hold some promise. My colleague that has just spoken, Edmonton-McClung, was very clear that there must be some questions answered, and those will be dealt with when we get into Committee of the Whole. I look forward to the answers to those questions.

I thank you, Mr. Speaker.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I'm pleased to have the opportunity to ask some questions in second reading of Bill 44, the Residential Tenancies Amendment Act, 2005 (No. 2).

We've had a lot of action on the Residential Tenancies Act this year, which is a good thing. I think it was a bill that needed updating, needs to recognize current realities. Certainly it's an important act for my constituents. Eighty per cent of my constituents live in high-rise apartment buildings or condominiums. Out of that 80 per cent, I think substantially more than half are renters, so this legislation is very important to them because it protects them, but it also confers, as always, responsibilities at the same time as the protection.

A couple of questions that came to mind for me. Could the sponsoring member, the Minister of Government Services, clarify for me what happens? Right now in the city of Edmonton the city funds the Landlord and Tenant Advisory Board. It strikes me that what's being anticipated here with the dispute resolution service could be a duplication. Now, I know the city of Edmonton has talked about revoking the funding to landlord and tenant, but I'm wondering where the minister sees this particular agency working along with local ones, municipally-funded ones like the Landlord and Tenant Advisory Board in Edmonton.

I commend the minister for looking for a nonjudicial mechanism for resolving disputes. Very helpful to people. Court is expensive, it's time consuming, and for a lot of people it's intimidating and they just won't even try it. They just give up and walk away and forfeit whatever. That's true on the landlord side, as well, particularly when you talk about small landlords that maybe own a small building or maybe are just renting a suite in their house, for example. They just give up and walk away because going through the system seems daunting. Therefore, a mechanism like this is very helpful to them, and I thank you.

One of the issues I have is around payment to mediators. I'm sorry; let me clarify for the minister first. Who does he anticipate being the officers working for this dispute resolution service? Does he anticipate it being trained and accredited mediators? That's question one. Question two: what is the minister anticipating would be a fee scale for these mediators? I know that this is a group of people that more and more we're relying on because they do save us from the court costs and all of that added expense, but for some reason we impoverish these people because the government in particular, when it uses their services, doesn't pay them very much.

If I can, I'd like to encourage the minister to set the fee structure at something reasonable, where you're attracting a quality, a level of experience, and an accreditation that is of the highest level. I would prefer to see that in this situation. I would encourage the government to go in that direction. I'd be interested in what the minister

anticipates as a fee scale – he’s likely going to set that under regulations if I know this government – if he can give me some indication of what have been the discussions or what he was anticipating there. I think my colleague was talking about whether they should have a legal background. I don’t know that you would need to have that. Certainly, a trained mediator would be able to accomplish all of that.

I also wanted to check with the minister – once again we’re bandying around that incredibly elastic term called “reasonable fee.” What does the minister see as a reasonable fee for this service? Those tenants and landlords who apply to the dispute resolution service are going to pay some sort of a fee. What does the minister see as reasonable? Is it \$5? Is it \$25? Is it \$75?

He’s looking above me for hand signals. Should I look too? No. He’s going to get up and tell me.

I’d be interested in that because I think there can be, again, quite a scale there of what people would consider reasonable. I know that for many of my tenants who are living in the older housing stock and for many of them on assistance, particularly AISH, you know, a \$15 fee starts to look difficult when you’re on a budget of a thousand bucks a month or in some cases less. I’m interested, again, in what the minister feels is reasonable and whether there will be a fund set aside to assist those that find that it’s a barrier, or whether: “Tough beans. If you can’t come up with the amount, well, you’re out. Go to court and have the court pay all your fees.” So I’m trying to figure out where he’s going to come down on that.

8:20

I’m also wondering, in order to keep this on a friendly level, if I could put it that way, if people involved in the disputes would be allowed to bring people in with them, whether that is, in fact, a lawyer or more likely a friend or a moral support or an adviser or a parent perhaps. Can they bring somebody else into this system, or is it the two individuals that are at odds, with a mediator in the middle or an arbitrator in the middle, and that’s it? Just interested in that.

Mr. Speaker, I know that we don’t get into the nitty-gritty and the detail, clause by clause, word by word, until we’re in Committee of the Whole – which we’re not right now; we’re in second – but I did notice that section 54, to my reading of it, actually started to get a little confusing. This is the section where it talks about if somebody goes and applies to the dispute resolution board first, then that’s where it’s all going to get worked out, but that actually starts to sort of contradict itself here. One of them says that if the tenant chooses the dispute resolution board, then that’s where they go, but no application to the dispute resolution service would be accepted if an application has already happened to the provincial courts by either party. Okay. That seems to contradict what was just said.

Once you work your way all the way through this, it looks like if anybody goes to the courts, the courts trump the dispute resolution service. Is that what the minister was intending with the legislation, and why? Or do you have to go with your first choice? So if the first person in the door goes to dispute resolution, that sets the stage, and that’s where everybody has to go. If the first person in the door goes to the courts, then that’s where it’s going to get played out, and you can’t change it. According to what I’m reading here, you are bound to that forum for pursuing a resolution, to quote from 54.3(1), not that I’d be doing that, Mr. Speaker.

I’m wondering, as well, if we could see the regulations that are being anticipated to support this act and if the minister would be willing to table that. It’s getting close to Christmas. Wishes come true every now and then, Mr. Speaker. I just thought I’d put it on the table and see if that might be a possibility. I think particularly with

this act it would be very interesting to see those regs, even understanding that they’re in a draft form, or I in particular would be interested in seeing them. Maybe some of my other colleagues would or would not – I don’t know – but I certainly am.

In the final section it looks to me like some regulatory authority is being transferred to the Lieutenant Governor in Council, and I’m wondering why that was necessary. It looks like it was taken away from the minister and given to the Lieutenant Governor in Council, and I’m wondering why that choice was made. It strikes me as a bit of an odd one.

As I said and as my colleague the Member for Edmonton-McClung has said, we’re very interested in the bill on the Official Opposition side and at this point are looking to support it, but I’d like to get the answers to my questions, if I could, because this is a bill that so much affects so many of my constituents.

Thank you for the opportunity to put those questions out on the floor, Mr. Speaker. I will give way to others that wish to participate in the debate. Thank you.

The Deputy Speaker: Hon. members, I’d like to remind everyone that Standing Order 29(2)(a) is available for questions and comment following every speaker.

I have a request to revert to Introduction of Guests. Could I have unanimous consent for that?

[Unanimous consent granted]

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

The Deputy Speaker: The hon. Member for Calgary-North Hill.

Mr. Magnus: Thank you, Mr. Speaker. It’s my pleasure to introduce to you and through you to members of this Legislature five friends of ours, in fact, five friends of all Albertans, for there are, indeed, firefighters in our gallery tonight. I’ve introduced them before, but I’d love to introduce them again. I’d ask them to stand up one at a time as I call their names so that they can receive the warm welcome of this House. They are all members of the Alberta Fire Fighters Association as well as some of our local unions. They are: Ken Block, head of the Edmonton Fire Fighters Association; Greg Holubowich, who is the vice-president of the Edmonton association; Gord Colwell, head of the Alberta Fire Fighters Association; and Bud McCarthy and Dale McLean, also VPs with the Edmonton fire fighters association – again, all of them on the executive.

Thanks, Mr. Speaker.

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

Bill 44
Residential Tenancies Amendment Act, 2005 (No. 2)
(*continued*)

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

Mr. R. Miller: Thank you very much, Mr. Speaker. My comments will be brief. I believe that my colleagues in the Official Opposition have pretty much covered the points that I wanted to make. I do want to reiterate a concern that we often bring up in this House, and that is the fact that members of these boards are appointed by, in this case, the Lieutenant Governor in Council. We talk a lot about accountability and transparency, and it causes me great concern and,

in fact, causes the Auditor General great concern when these board appointments are made by the Lieutenant Governor in Council, sometimes without the proper training.

My colleague from Edmonton-Centre indicated that she's not as worried about the training as some of us might be. Well, she was referring to myself and, in fact, my colleague from Edmonton-McClung, who did indicate that he does have a bit of a concern there as well. So based on the Auditor General's comments regarding board appointments and lack of training and accountability and transparency, that would be a concern that I would like to make the minister aware of, and certainly I know that there are many others who share those concerns with me as well.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. It's a pleasure to rise and speak to Bill 44, the Residential Tenancies Amendment Act, 2005 (No. 2). I want to start by thanking the minister for the invitation and the subsequent briefing that he provided to me and one of our staff members. We went over some of the provisions of the proposed amendments in some detail.

I would like to first of all express my general agreement with the principle that informs this attempt to amend the Residential Tenancies Act; that is, that a more convenient, a cheaper, and a more tenant/landlord friendly procedure perhaps is worth trying to resolve disputes that arise between landlords on one hand and tenants on the other.

I think that historically the local landlord and tenant advisory boards that cities have used in the past are also based on the premise that mediation of these disputes through locally-based arrangements probably limits the sort of orientation to long, stretched-out litigation and brings parties into conciliation with each other and seeing each other's point of view and coming to some sort of agreement. Unfortunately, certainly the city of Edmonton, for reasons of cost, seems to be ready to withdraw from offering that kind of service. In light of that, I think these amendments will certainly create an alternative dispute resolution arrangement which is worth trying.

8:30

The minister I think indicated that this will be a pilot. It will be tried here in Edmonton, I understand, for a year or so. I think my colleague from Edmonton-McClung raised some interesting questions about: how do we learn about the results of the mechanism that we establish in Edmonton as a pilot project? Will the Legislature have the opportunity to receive those results and then study those results before this arrangement goes forward and becomes generalized and used across the province? Clearly, if it's a pilot project – and that's the understanding based on which we all will agree to support these amendments – I think it's only appropriate for us to expect that the results of the pilot project will be brought back to the Legislature for us to look at, and then a more permanent form of the amended act will be put in place. That is something that I would like the minister to perhaps comment on.

There are several other issues that have been raised by the hon. Member for Edmonton-McClung. The questions of appointment procedures. Who will make the appointments? What will be the qualifications of people who get appointed? Will there be training requirements and opportunities? Will there be some sort of accreditation for people who in fact preside over these dispute resolution exercises?

The matter of fees. Since only one of the two parties has to go and apply to the alternative dispute resolution service, will both

parties be required to pay fees, and would those fees be equal? Or will one of the two parties be assessed their fee based on the outcome of the dispute resolution service decision? I mean, we need to have some idea about this. I know that the minister is proposing to have an extensive set of regulations, and perhaps under those, the provisions of section 54.7, he might have the ability to address some of these questions. These questions are substantial enough that the House would like to know – it's not only I who would like to know – what the minister has in mind so that we can at least have an idea of what might go into the regulations dealing with some of these questions. So the issue of fees, the issue of waiver of fees.

Certainly, in my constituency office we have received over the years that I've been MLA, for more than eight years now, many requests and complaints from tenants. I also have a very large number of low-income people living in the constituency, including, of course, people who are on AISH. They often come to us with some concerns and complaints. Their ability to pay fees is severely limited. I think it's important for me as MLA for Edmonton-Strathcona and for our NDP opposition caucus to know because we as a group do represent a fair number of low-income Edmontonians and Albertans who have similar concerns.

If the minister would be kind enough to address the issue of fees. What's the scale of them? Who is going to be assessed? Whether there will be provision to waive those fees, and if so, how? The questions of who will be the people who'll be appointed and how they'll be appointed, what qualifications and training will be expected and required, and whether or not these will somehow be people who get certified.

One other question that I have for the minister. Given that the alternative dispute resolution mechanisms are intended, in fact, to reduce the amount of litigation, the amount of expenses not only to the courts and through the courts to the government but also to parties in dispute, I think the best alternative dispute resolution mechanism would be one which, of course, reduces the cost for every party involved: for the tenants and for the landlords as well as for the public agency, whether it's the alternative dispute resolution authority or the courts.

The idea I think of reducing litigation and making this whole process less costly for every party involved is a good one, but to require here, as is presently provided for in the proposed amendment, that only one party has to choose to go to the dispute resolution service and the other, therefore, will be compelled, will have no option but to follow, seems to me somewhat taking away the choice from the parties to choose to go to a less expensive, less costly, and perhaps time-saving mechanism, which I hope this alternative dispute resolution service will be, or to go to court if it so desires.

Alternatively, I think I would wonder what the minister thinks about making this option available but only if both parties agree to go through this procedure. It seems to me that it would be only rational for the parties to go through this voluntarily if they see that their interests are better served by going through this route. So rather than coercing one of the two parties to follow because one has already chosen to do so wouldn't seem to serve the purposes for which this alternative dispute resolution system seems to be proposed and be designed.

These are some of the questions that I would hope the minister would also address as he tries to address questions raised by my other colleagues.

Thank you.

The Deputy Speaker: Are there others?

The hon. Minister of Government Services to close debate.

Mr. Lund: Thank you, Mr. Speaker, and thanks to the members that commented on this bill. I know that it's not customary to specifically answer all the questions in second reading, so I'll try to phrase my comments around the questions so that we're still talking about the principles of the bill.

Certainly, we want this process to work, so of course the hearing officers are going to have to have training. They're going to have to be people with experience in this type of mediation and this sort of thing. We don't believe that it will be necessary that they have a law degree or for that matter be retired judges. However, if there was one of those individuals available, we're not saying that they wouldn't fit the bill because certainly they probably would, but they must also, of course, be very familiar with the Residential Tenancies Act and be able to interpret what needs to be said.

The funding, of course, Mr. Speaker, for this pilot project will be done through my department. We've budgeted some \$195,000 for it. The fee that will be charged would be, we're proposing, about \$75. I heard the hon. members talking about whether it's affordable to everyone. We would hope that it would be affordable, but one of the things that the hearing officer does have under section 54(7)(j) is the ability is to include "orders providing for costs." So, in fact, if at the end of the hearing it's determined that somebody should be awarded costs, the hearing officer would have the ability to do that. So we would handle it in that area.

8:40

The idea is that whoever files first, if they file with the dispute hearing service, then, in fact, that brings in the other party. The party that files is the party that pays.

Now, what may happen would be that on the same day as one party is applying to the dispute resolution service at the same time somebody is applying to the courts. In that case, the courts will take precedent. If, in fact, the time has elapsed, we will be in the regulations setting out a system where the clerk in the court would refer first to the dispute resolution service to see if the other party has filed with the dispute resolution service. It simply would not work if we were to allow choice all the way through. It simply wouldn't work.

Currently with the court system it's a hundred dollars to file, and then if you go to the Court of Queen's Bench it can be even more. Of course, some of the tenants that the members spoke about likely couldn't afford it. We think that we're making it more accessible. But if you think about if you allowed the people to choose either one and then the courts take priority, in many cases one party is not anxious to have it settled. It's to their advantage that it's not settled. So what we are trying to do is three things: make it affordable, make it accessible, and make it fast so that it doesn't hang out there for a long period of time and so that the issue would be settled quickly.

We propose that, yes, this is quasi-judicial and that it will be in public. Of course, to make it work, if someone feels that they need to bring assistance along to the hearing, they can do that. There's no problem doing that. The findings will be in writing, and those will be made public as well.

The ability to assess whether this is a success or not. I'm sure that if it's not a success, members will be hearing about it, and I'm sure we'll be hearing about it.

In section 54.7, I believe it is, we're having the regulations go to the order in council process simply because it involves the Department of Justice as well, and we didn't think it was right that those regulations would be simply done by the minister.

The relationship between the landlord/tenancy agencies in Calgary and Edmonton. Now, Calgary has disbanded their landlord/tenant agency. In Edmonton there is talk of abandoning it. But those are

not quasi-judicial bodies, and this is a quasi-judicial body that we're proposing to set up. So there is quite a bit of difference there, and that is the reason that we believe that it's not a duplication. In fact, we'll see how it works out with the resolution committee.

As far as the regulations I will make the commitment that I will endeavour to work with my opposition critics as we develop those regulations. If they can offer help that improves them, I'm very open to that.

Thank you.

[Motion carried; Bill 44 read a second time]

The Deputy Speaker: I recognize the hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. At the outset of the session this evening in the steering of the Chamber I was not aware of hearing very well the question put before the Assembly. I understand the question was whether the Assembly concurs with removal of the jackets. Inadvertently I had raised my voice indicative to that of no. I would like to retract that vote and put a motion forward before the Speaker for unanimous consent allowing the members to remove their jackets if appropriate.

Thank you.

The Deputy Speaker: Well, hon. member, the onus is on all members to pay attention in the House at all times. But it is at the pleasure of the House, and I will allow the question to be put again. Do we have unanimous consent in agreement to the hon. member's motion? Those agreed, say aye.

Some Hon. Members: Aye.

The Deputy Speaker: Those opposed, say no.

Some Hon. Members: No.

The Deputy Speaker: The motion is passed. [interjections]

Hon. members, if there was a no, the chair did not hear it. Let your yeas be yeas, and let your noes be noes, and let them be heard.

The hon. Member for Calgary-North Hill.

Bill 50

Workers' Compensation Amendment Act, 2005 (No. 2)

Mr. Magnus: Thank you, Mr. Speaker. I'm very pleased to move second reading of Bill 50, the Workers' Compensation Amendment Act, 2005 (No. 2).

This bill separates the medical panel process from the WCB, and it also extends presumptive coverage to one extra health condition commonly experienced by firefighters. Mr. Speaker, I will touch briefly on the separation of medical panels, but hopefully my hon. colleague from Calgary-Egmont will elaborate more on this topic later on in second reading or perhaps in committee stage.

The medical panel process was established in its current form by Bill 26 in 2002, and members of this House may recall that this was the same bill that separated the reporting lines and administration of the Appeals Commission for workers' compensation from the WCB, thereby making the Appeals Commission an entity that reports directly to the Minister of Human Resources and Employment, funded out of the general revenue fund of the Alberta government. We'll be doing the same thing with the medical panel process.

Our government feels that it's important that in both actual

function and in perception there are appropriate checks and balances built into the overall framework of workers' compensation in this province, and the move is very consistent with that principle, Mr. Speaker.

Bill 50 will modify the act, which currently says that the WCB "may make rules governing," to be repealed and replaced with language that says that cabinet makes the regulations surrounding the working procedures of medical panels.

Also, a new section will be added which will say that the Minister of HR and E is responsible for medical panels and that the function of these panels be paid for through general revenues, to be reimbursed by the WCB at a later date. As I said, Mr. Speaker, the Member for Calgary-Egmont is an expert on this particular clause and will elaborate further shortly, I'm sure.

The other part of the bill, Mr. Speaker, the topic especially near and dear to my heart, is that the bill builds on my private member's bill of 2003 and provides additional presumptive coverage for firefighters. Members will recall that presumptive coverage for seven different firefighter cancers was put into law back in 2003. Since 2003 two new cancers have been included and are covered now within that same act – and actually it has been put into regulation – that being lung cancer and colorectal cancer.

The change, however, Mr. Speaker, required for Bill 15 with respect to firefighters' WCB coverage is allowing for presumptive association for a myocardial infarction, also known as a heart event or an MI and commonly referred to in lay terms as a heart attack. When a firefighter regardless of length of service suffers a heart attack within 24 hours of an emergency response, it will be presumed that it was caused by his employ as a firefighter unless the contrary can be shown.

Mr. Speaker, common sense dictates that this is the right thing to do with this bill. Obviously, when a firefighter is in the hall and hears that first fire alarm, his heart rate goes to 100 per cent of the rate of a 25 year old in very good shape, and firemen are the in occupation that is in the best shape of any occupation in the world. When that same fire truck with the firefighter rounds a corner and they see a house on fire or the emergency, their heart rate goes up even further and past 100 per cent, and then when they have to don 70 pounds' worth of equipment and have limited breathing because of their breathing apparatus, it puts that much more risk to their hearts.

Not a lot of firefighters die in this country each year because of heart events or heart attacks; however, any one is too many. I believe the number for 2004 was that two in Canada actually died, but many others have heart events while they're on the job. We think that, frankly, they deserve to be covered the same way that we cover firefighters for the cancers.

With that, Mr. Speaker, I will sit down and listen to debate and look forward to committee stage.

8:50

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

Mr. Backs: Thank you, Mr. Speaker. I'm very pleased to rise in support of this bill. The importance of recognizing this I think was clear, and we expected this, actually, to be in Bill 50. I was very disappointed and made my disappointment clear last week that this was not brought forward and perhaps made some threats that would have been forthcoming if it had not been brought forward. You know, I'm very pleased to see the brothers from the various locals of the firefighters' associations here in the province present to see this bill come forward.

I do have some reservations, and I'll state them. On the arbitrary

point in the heart attack provision – to use the language in the bill, the myocardial infarction – to have it within the 24-hour period is good, but there are some arguments that that could be extended even to 48 or 72 hours. You have just one sleep after these intense, intense events that the firefighters go through when they actually are protecting our lives and properties and our families. It is something that, you know, maybe we should be looking at in the future too. We should be checking out how this happens and see if there are, in fact, any cases that might come into that situation. The idea to provide presumptive coverage is to ensure that the onus has shifted, that the firefighter is not dealt the severe burden of trying to provide proof, actually, that in fact this is caused by their work or an event at work.

Some further reservations. I understand there is some sense that this could be extended to volunteer firefighters. There are many, many members in the House tonight who have communities within their constituencies that rely on volunteer firefighters. I personally really don't see much of a difference between some of the events a volunteer firefighter might have to attend at and a professional firefighter's even though they may do it in more serious situations often and also that it happens much more often, of course.

The other area that might be of concern is that maybe it does not go far enough in covering just firefighters. Although there may not be quite the degree of research done, quite the degree of information that is available that we have on the occupation of firefighters in this type of situation, what we do know is that similar events happen with other types of emergency personnel who are also given the responsibility of protecting our hearths and homes and families. I think there should be extension to police. There should be extension to EMTs. There should be extension to paramedics and correctional officers of that same provision. I will be presenting amendments to that effect.

Nonetheless, the existing provision is a good step. It can go farther. I do think that some of the cancer provisions that are going to be extended in regulation are, again, a very positive step and have arisen out of some things, some cases that have come up in the last number of years. In the future I'd hope that somehow we could deal with that, not just out of regulation, because I still don't think regulation has the weight of having them included in the statute.

I congratulate the Member for Calgary-North Hill for bringing this forth, and I congratulate the Member for Calgary-Egmont for also, I understand, having some major input on the medical reporting. The medical reporting, again, is an improvement. I believe the WCB is an area that has been of very, very great contention to many communities, to many people. It's been a great problem, and even though there have been many improvements – and this bill is an improvement – it still has a ways to go.

The importance of having this particular section report to the ministry rather than to the WCB itself certainly allows for some greater independence. One of the greatest types of criticisms that we've seen of the WCB is how they use their medical personnel. I think there could be some even greater extensions of that concept into the operations of other areas and the use of medical personnel in the WCB.

The language sometimes still retains a certain harshness, a certain control type of mentality. You know, we always have to be careful how the WCB is administered in our province because it operates much, much differently than our usual contract and business relationships in a liberal democracy. It is a power unto itself. It is not particularly accountable. It is accountable, really, through what we're doing right now and only on an infrequent basis. The need to ensure that we have some review in a very, very regular way, other

than just occasional bills, I think still remains true. The need for other changes, the need for some of the provisions in the Workers' Compensation Act to be even enforced is clear. The long-standing contentious issues remain, and really there has been very little use of that provision in the act even though that came forward some years ago.

In any case, Mr. Speaker, I commend the mover of the bill. I'm pleased to see it come forward. The Official Opposition supports this bill. We'll be continuing to monitor the workers' compensation system, and we look to further improvements in the future.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Member for Calgary-Egmont.

Mr. Herard: Thank you very much, Mr. Speaker. I want to thank the hon. Member for Calgary-North Hill for having introduced this bill. I'm very pleased to stand in support at second reading and to add a few comments, as the hon. member did indicate, with respect to medical panels.

Now, in Bill 26 in 2002, as the hon. member has already stated, we did move the Appeals Commission away from the WCB and at the time probably should have moved the medical panels as well. So this bill does that. It makes sure that not only is there independence in fact but also in perception.

9:00

I recall when this happened in 2002, when the WCB recruited Dr. Ohlhauser, who was the registrar of the College of Physicians and Surgeons. I can recall how much difficulty he had initially in getting this off the ground. To be very honest with you, he couldn't find very many doctors who would agree to work on a medical panel because, as most of you probably understand, there had been for some years a culture of denial, and doctors' advice was being denied as frequently as other things. So Dr. Ohlhauser took it upon himself to visit scores of general practitioners and specialists to communicate to them how the WCB process with respect to medical panels was now going to change and that people's training and opinions would be heard. Over time he has in fact recruited some of the top Alberta specialists in virtually all disciplines who now will take on a WCB medical panel.

One of the things that I want to point out is that in the old bill, section 46.1, there were only two methods of establishing a medical panel: either the WCB asked for one or the Appeals Commission asked for one. But in practice Dr. Ohlhauser was able to convince the WCB that a treating physician should also be able to ask for and get an independent medical panel. That improvement is going to be handled in regulation so that we have a lot of flexibility to ensure that all of the conditions under which injured workers currently find themselves are improved.

If a treating physician feels that the WCB medical advisors are in error, then the treating physician can ask for and receive an independent medical panel. Now, it's my understanding that there are approximately 25 or so medical panels per year and that about 50 per cent of them overturn the decisions that were previously made. So that is, in my view, quite a large number of cases that without this process would have absolutely no hope at all.

The process that Dr. Ohlhauser did bring to bear – I would really counsel, I would suggest to the members of the opposition to invite Dr. Ohlhauser to come and speak to them, speak to their caucus to explain to them how this process works. I think that you'll be as convinced as I am that we now have a fair system. By moving this now away from the WCB and under the responsibility of the minister, that will indeed improve it.

A couple of things that the medical panels have to do, as I recall my discussion, is that they must consult the treating physician. So you can't have a medical panel that simply comes in and does a document review of a case and makes a decision. They must consult the treating physician. The other thing is that all three, if it's a three-member panel, must agree on the medical facts or keep working until they do and then render a decision. So it's not good enough that two of them agree. It's not good enough that they have opinions this way or that way. They must agree on the medical facts, or the decision is not accepted.

So I think that what you'll find in this bill is that there are a number of clauses that are required for transitional matters because I understand that it's going to take two or three months to transition the records and all of that from the WCB into new premises and so on. So there are some transitional requirements, and there are also some immunity clauses in here that are identical to the ones that are dealt with by the Appeals Commission.

So I would hope, hon. members, that you will support this bill. Thank you.

The Deputy Speaker: The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you, Mr. Speaker. It's my pleasure to rise and speak to Bill 50, the Workers' Compensation Amendment Act, 2005. I want to congratulate the initiators of the bill and the hon. Member for Calgary-Egmont, who's obviously had a lot of commitment to this issue for many years. I particularly was impressed by this latest discussion about the independent medical panel, which has been a source of such contention in the communities and in the medical community itself.

Before I comment on that, I wanted to say, along with my colleague from Edmonton-Manning, that heart attack provision for coverage for the firefighters is an important inclusion that should also be extended to other emergency workers. Clearly, if anyone is under stress – and they are all under similar stresses in the case of an emergency – and place themselves in harm's way to try to save people, under both physical and mental stress, if firefighters should deserve the benefit, then surely all emergency workers should similarly be compensated.

In relation to the shifting of this medical panel outside the WCB, I see a tremendous commitment to the appearance, not only the substance, of independence from the WCB. That has been a source of contention for many years, especially when there's a difference in the perception of pain or disability by a community physician compared to the perception of these issues within the panel of WCB physicians. There needs to be an independent process for dealing with this, and you very appropriately and well dealt with that in this new bill.

I think that constitutes my main comments on this, just to say that I and my colleagues do support this. It's a significant progress in the WCB and will serve all Albertans in the future. I would encourage again some of the extension of these compensation commitments to other emergency workers and leave it there.

Thank you.

The Deputy Speaker: I'd like to remind all members that Standing Order 29(2)(a) is available for questions or comments.

Seeing none, the hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I appreciate the opportunity to rise and speak to Bill 50, the Workers' Compensation Amendment

Act, 2005 (No. 2). I, too, would like to express my appreciation for the work that the hon. Member for Calgary-North Hill has done over the years on this bill and continues to do to address and make sure that this House redresses some of the concerns that have been long-standing by people who earn their living by working on very, very dangerous jobs. So I'm pleased that this bill is before us.

There are two parts to it, obviously. The first one expands the medical problems that workers may experience as a result of their work. So the inclusion of heart attacks is very important and a good expansion of the presumed workplace injuries that must be covered by the Workers' Compensation Board.

9:10

Certainly, we were very happy to support presumptive coverage for firefighters when it was first introduced and lent our strong support to it. In fact, the proposed amendments, that the Member for Calgary-North Hill at that time drew our attention to, were very much in keeping with what the NDP government in Manitoba had already enacted. So we created here, rightly, a parallel provision and coverage. We're delighted that that's happened. We know that the firefighters put their lives on the line for Albertans every time they respond to an emergency. Supporting this amendment is the least we can do in return.

The second provision of the bill deals with medical panels. Although it's a step forward, there are some concerns and problems with the proposed changes, in our view, to the medical panels; in particular, section 3(b), which amends section 46.1 of the original act. Now, this amendment would make decisions of medical panels final. While we are sensitive to the fact that doctors should be making decisions about medical conditions rather than lawyers, there does appear to be a need to provide an avenue of appeal even for these decisions.

The WCB's history and its relations with injured workers leave a lot to be desired. As has been pointed out by the hon. Member for Calgary-Egmont, there has been a culture of denial in the WCB. This has been identified by retired Judge Samuel Friedman in his review committee of the Workers' Compensation Board appeals system. What that really means is that many workers, most workers, and, in particular, a majority of injured workers do not trust the Workers' Compensation Board because of that history and because of problems that they've experienced over a fairly long period of time.

This mistrust, this kind of relationship that many injured workers have had with the WCB is exacerbated by the fact that this amendment appears to be designed to close one more avenue by which a worker could fight for a decision which is deemed by that worker to be more favourable. In our consultations we have been given examples of individuals who appealed a medical panel decision in court and learned some very important things in the process. Don't forget, Mr. Speaker, that when an appeal goes to court, everyone is under oath. Apparently, according to the consultation that we have had with workers, this has had a tendency to help get to the heart of matters.

There have also been concerns raised about instances where workers have degenerative medical conditions, particularly in their knees or their spine. There needs to be room to revisit decisions in these instances. Where there was only a 15 per cent disability found by a medical panel in one year, two years later there may have been significant further degeneration.

We shouldn't forget that the composition of these panels, though improved recently, are still perceived by workers to be somewhat stacked against them. The panel is created by allowing the employer, the board, and the worker to each name one doctor to sit on

the panel. So we have two panelists named by stakeholders who have an interest in either not awarding benefits or awarding only minimal benefits. Further, the panelists are named from a list of doctors deemed eligible by the board itself. In theory this could be a workable way of establishing panels, but given the board's ongoing culture of denial, it does seem as if some room for appeal should remain.

That said, that reservation expressed, the positive aspects of the bill, namely the addition to presumed medical conditions for firefighters, seem to certainly lead us to support the bill in principle at this stage of the debate on the bill. Thank you.

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

Ms Blakeman: Thanks, Mr. Speaker. I've listened carefully to the speakers preceding me.

The Deputy Speaker: Excuse me, hon. member, I just want to remind the members that Standing Order 29(2)(a) is available.

Seeing none, please proceed.

Ms Blakeman: Thank you. A number of the issues that I was interested in raising have been raised by the speakers previous to me, so I don't need to go into depth with them.

Just briefly, my concerns were: why can this not be widened for emergency personnel beyond firefighters? I think it should be. Certainly, if my colleague from Edmonton-Manning is going to bring forward an amendment, I encourage him to do so because I think this is an opportunity for us to do this right this time and to expand it to include other emergency personnel.

I also share concerns with Edmonton-Strathcona around the Lieutenant Governor in Council making regulations. I always have concerns about that, Mr. Speaker, because it's done behind closed doors. So once again there's delegating of authority and delegating of regulation-making that happens behind closed doors and away from the scrutiny of this Assembly and from the public. Having put that on the record . . . They also were able to make regulations there around the appointment and removal of members of the medical panel. Actually, if you read through the rest of that list in section 3, which is amending section 46.1, to me it reads shades of the WCB, but I am cognizant of what the Member for Calgary-Egmont has said.

Under that same section that is being amended, section 46.1, there's a subsection (h). This is regarding the regulations being made by the Lieutenant Governor in Council respecting the ownership, custody, control, collection, et cetera, of "reports and information submitted to or created or acquired by a medical panel or the medical panels commissioner." I'm wondering if that comes under the Health Information Act, and the rules and regulations of health information should supercede what's in this act. So which of them is paramount?

I would echo my colleagues who have voiced their concerns about the medical panel not being subject to any appeal.

Those were the concerns. Others have put it better than me previous to my speaking, so I will let their words stand for me. Thank you.

The Deputy Speaker: Again, anyone under Standing Order 29(2)(a)?

An Hon. Member: Question.

The Deputy Speaker: Under Standing Orders 29(2)(a)? A question or comment?

Mr. Hinman: Well, a question first.

The Deputy Speaker: Okay. Go ahead, hon. Member for Cardston-Taber-Warner.

Mr. Hinman: I'm not totally sure on the question, but twice the hon. members here have made mention of adding more people to this. I guess my question is: those other EMTs and other officers, do they really feel that these are in the same category? It does seem like firefighters are in quite a special category of their own for the risk that they put in place. I guess I'm just wondering why they expound and think that we need to broaden it, when I think that this is specifically for the firefighters in a very unique, life-stressful situation every time they respond to a call.

The Deputy Speaker: Hon. member, do you wish to respond?

Ms Blakeman: Sure. I think it's because we are looking at emergency personnel. I guess if the member has a particular argument as to why others shouldn't be included, I'm interested in hearing it. To my eye, yes, firefighters are carrying 70 pounds of equipment up three flights of stairs in smokey circumstances and all of that, but equally we can have a paramedic going into a building that is unstable or has already come down, and they're crawling over rubble with dust coming up, and they're breathing in the dust. You know, there are different circumstances and emergencies that I think we can draw parallels for.

9:20

I guess my concern is: if we're willing to recognize and protect one group of people in circumstances which arise out of emergencies, why are we not willing to extend that same protection to other personnel also involved in providing protection in emergency circumstances to the public? And if we have an opportunity to do it, then I would think: let's do it. That's not to take anything away from the first group of people. Why wouldn't we include others if we could and are able to offer protection to more than one group?

The Deputy Speaker: Under Standing Order 29(2)(a) the hon. Member for Edmonton-Manning.

Mr. Backs: Mr. Speaker, I'd also like to respond to that.

The Deputy Speaker: You can have a question or a comment.

Mr. Backs: I'll ask a question then, you know, in the sense of some of the areas that have been covered by the Member for Edmonton-Centre. Clearly, what we see in the many, many new types of materials we have out today, you know, the causes for heart attacks can be increased quite a bit. I find it very difficult that the Member for Cardston-Taber-Warner would not like to see an extension to volunteer firefighters, would not like to see an extension to police officers, would not like to see an extension to EMTs. I think that, clearly, the presumptive nature of this . . . [interjections] I'm asking this question of that member, and I can comment briefly.

The Deputy Speaker: Edmonton-Manning has the floor, and he can ask a question or make a comment under Standing Order 29(2)(a). Please proceed.

Mr. Backs: Thank you, Mr. Speaker. The presumption that is part of this in extending it to other emergency personnel does not in any way take away from firefighters, and I think that must be made clear. To extend that presumptive coverage for even just 24 hours to other emergency personnel I think only improves this legislation and only improves how the WCB act will work because I think that we must recognize those things.

I guess my question would be to the Member for Cardston-Taber-Warner. Do you not want to see it extended to volunteer firefighters?

The Deputy Speaker: Hon. member, the question would be directed to the original speaker. If you have a question, it should be to Edmonton-Centre. Anyone can make a question or a comment based on the original speaker's comments, not on a previous questioner.

On 29(2)(a), or do you wish to speak on the bill?

Mr. Hinman: I wish to speak on the bill.

The Deputy Speaker: Okay. If there's no more on 29(2)(a), I recognize the Member for Cardston-Taber-Warner on the bill.

Mr. Hinman: Thank you, Mr. Speaker. I just had a few comments where it says in section 24.1(1)(a) that "firefighter means an employee, including officers and technicians." Being from rural Alberta, the majority of our firefighters there are volunteers. I'm very concerned. I've had discussion on that, and people say, "Oh, well, out in the country they don't risk as much or as often." I don't think it's about the number of times. I can tell you from my own experience in rural Alberta that those volunteer firefighters there put their lives on the line just as much and just as willingly as any employee.

I wonder about changing it from "means an employee" to "means a worker, including officers and technicians." It goes on: works for the municipality. They don't get paid, so they're not an employee. If there's some way of changing that to just being a worker for the municipal area, that would cover the volunteers. I guess that's where my biggest concern is: we're leaving a vast amount of people out there that do their work risking their lives.

I would like to see some amendment in order to include the volunteer firefighters because I believe that they're a very admirable group, and we should definitely be extending it to them.

The Deputy Speaker: Any comments on Standing Order 29(2)(a)? Just for clarity, hon. members, Standing Order 29(2)(a) doesn't specifically define brevity. It says that comments and questions should be brief, but as it doesn't define it specifically, I would suggest that under a minute would be considered brief by the chair.

The hon. Member for Edmonton-Rutherford.

Mr. R. Miller: Thank you, Mr. Speaker. I think my colleagues on this side of the House have pretty much covered the points that I wanted to make. There's been a lot of discussion about groups that are not included in the bill as it sits before us, and I'd like to add one more if I could. That would be MLAs that are invited to the firefighter training day at the Poundmaker's Centre and might experience a heart attack within 24 hours of the training exercise.

Thanks to Mr. Block and his tremendous team of volunteers several of the MLAs in this House as well as a number of other local and, in fact, national politicians were invited to spend a day at the Poundmaker's Centre, experiencing some of what firefighters in this

province and across this country experience daily. I must say, Mr. Speaker, that it certainly brought a much greater understanding to myself and those that attended as to what the firefighters and other emergency personnel go through.

I, myself, sat through the live-burn exercise with the Deputy Prime Minister on my right-hand side. I remember thinking to myself: "I'll be fine. They're not going to let anything happen to the Deputy Prime Minister. If something goes wrong with this live-burn exercise," which, they were kind enough to share with us, was the first one they had every done with VIPs, "they'll definitely come in to rescue us because the Deputy Prime Minister is sitting right beside me." Then, on second thought, I realized that if anything did go wrong, they were probably going to tramp all over the newly elected Member for Edmonton-Rutherford in order to rescue the Deputy Prime Minister. So I once again considered having a heart attack.

It is certainly an opportunity for me to recognize the work that these fine gentlemen and their colleagues do, Mr. Speaker, and I didn't want to let that go by without doing so. Thank you.

The Deputy Speaker: Any comments or questions under 29(2)(a)?
The hon. Member for Calgary-North Hill.

Mr. Magnus: Thank you, Mr. Speaker. To close debate on this, I appreciate all the questions I got, in particular from the Member for Edmonton-Manning, very good questions. There were some questions to do with volunteer firefighters and whether they should be covered and, in fact, other professions within emergency procedures, whether we're talking police officers or medical personnel. I want everyone here to remember that while I applaud the way you're thinking because, frankly, I would like to see them all get it, we don't willy-nilly walk out of the House and assign benefits to everybody that we'd like to just because they're nice folks.

You have to remember that when a firefighter goes to a call, not unlike a police officer or an emergency medical technician, they're also hearing a bell. Granted, that will take their heart rate up, but again – and the Member for Edmonton-Rutherford mentioned it – they are wearing 70 pounds worth of equipment. They are running into the fire, not out of the fire. Their breathing is somewhat limited because of the mask that they wear. I'm sure the Member for Edmonton-Rutherford would verify that. I didn't have to wait until I got home to think I was having a heart attack. It was happening right there, and I was just happy to get out of there at the end of the day. They thought my big smile was because I was having fun. It was because we were done at that point.

In any event, tomorrow we'll be, I believe, in committee stage on this bill. I'd love to get up and answer these questions, and I will look over the *Hansard* after tonight and make sure that we've got every single one of your questions answered on here.

As I say, the only thing I can say about the volunteers as well as putting police officers and emergency medical technicians in it is: great, except that I can prove it going back to 1920 based on a whole series of studies, Guidotti is one of them and the biggest one, and a number of other studies that say that firefighters get this more than other professions. I believe that they deserve this special coverage. Frankly, as I say, I'm not opposed to the others. I'm just saying that we can prove one and can't prove the other.

I've already moved second. Thank you, Mr. Speaker. I'll close debate.

[Motion carried; Bill 50 read a second time]

9:30

Bill 43
Alberta Resource Rebate Statutes
Amendment Act, 2005

[Adjourned debate November 16: Mr. Miller]

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

Ms Blakeman: Thanks very much, Mr. Speaker. I'm pleased to get an opportunity to bring some of the comments of my constituents forward into the debate on this Bill 43, the Alberta Resource Rebate Statutes Amendment Act, 2005. I have to say, Mr. Speaker, that overwhelmingly the reaction from my constituents was not in favour of these rebates, and I've tabled some of the letters in the House. They raised concerns about: why wasn't this money being pooled or put into things like libraries, smaller class sizes? So there are a number of them. [interjections] Well, I can see that people are getting very excited, and I am definitely looking forward to having the Minister of RAGE get up and join the debate, seeing that he's so energetic in his heckling tonight. I'm sure he can manage to join in.

They raised a number of concerns both about the choice of using a rebate as a way of dealing with, essentially, very good resource revenue – part of their concern was where the money was coming from and that that is not an infinite source of money – but also about the choice to give it back individually to Albertans rather than pooling the money, investing it in things, as I've mentioned, like hospitals or child care or smaller class sizes. Libraries was one I remember particularly; that was one of the letters that I tabled in the House. So most of what we heard was overwhelmingly not in favour of these rebates.

I also want to stop and point out that I was invited to speak to a group that meets regularly in my constituency called Pathways. This is run by – I'm not going to get this right; I'm sorry – I think it's the city of Edmonton, but it could be Canadian Mental Health, and my apologies for not remembering the sponsoring organization. It's a kind of meeting and activity opportunity for people in the downtown core who are struggling with mental health issues. I met with them, and they were some very passionate, impassioned speakers on this who said, well, fairly bluntly that I should, you know, give my head a rub because these people are really struggling with finances and they need that 400 bucks and who am I to say that they shouldn't get it?

I agree. I'm not saying that they shouldn't get it, but we talked a lot about the appropriateness of this choice and the fact that having that debate doesn't negate that they need this money at all. They had to make it clear to me that this money is important to them, and with the cost of utilities – thank you so much for electrical deregulation; boy, that was a winner – that's really affected people and their ability to get by on the income they have. They wanted it clearly pointed out that they need that money and that they want that money. I feel obliged to bring their point of view into the Assembly and to put it on the record because I respect what they were saying to me. As always, I'm trying to balance what my constituents are saying.

So here I had most of them going: "Bad idea. Should have been invested elsewhere. Really don't want to see this go forward." And a very distinct group of people are saying: "We need this, and you have to respect that you have created the situation where we are now people in need. Don't take that money away from us. It's going to be groceries." This is not an iPod to them. This is not a colour television to them. This is not a payment on their car or a weekend in Jasper. This is an electricity bill. This is food. This is rent. So very basic needs. There was a series of questions today talking about poverty in the midst of plenty, and that situation is really

underlined for me when I look at the points that were raised by those folks at Pathways. So I wanted to get that on the record.

I think that to me what this discussion has raised more than anything is that we need a natural resource revenue policy more than a surplus policy. This has evolved, and I'll admit that, Mr. Speaker. This started from an initial discussion and particularly, obviously, with the Liberals that we needed a surplus policy. We did in fact have a very good surplus policy in the last election, and we got a lot of points for that. But I think we've evolved beyond that in the last year. What I'm looking into and considering with some of my colleagues is the idea of a natural resource revenue policy. The idea behind that is that, really, those natural resources, those dinosaurs that died that long ago to produce all of this for us . . .

An Hon. Member: Nonrenewable resource revenue.

Ms Blakeman: Nonrenewable resource revenue. Thank you.

It's our ancestors', it's ours, and it's our descendants'. Our ancestors didn't go through it nearly as fast as we are. We're going through it at an amazing rate, and there likely won't be much at all or maybe nothing for our descendants.

To me the idea that is inherent in this bill has really brought forward the need for us to establish a very clear nonrenewable resource revenue policy. We know that those resources are limited. I mean, let's face it: you can't get oil out of the ground at five bucks a barrel anymore. That oil is gone. You can't get it out of the ground for 10 bucks a barrel anymore. That oil is gone. That was the easy stuff. That was where you stuck a stick in, and the oil just shot out of the ground. That stuff was easy, and it's gone. Now we're looking at all kinds of ideas where we're going to inject water down, where we're going to inject CO₂ down there. We're going to inject all kinds of things, which is basically to sort of get underneath the oil or the gas and bring it up so that we can pump it out of the earth. This is not an infinite resource that will flow forever for us.

Inside of, really, two generations we've seen an enormous depletion of that stock. I think we need to deal with that, and we need to understand that we are spending both the money that our ancestors didn't spend – they were more frugal – but more frighteningly we are spending our descendants' share of that. I think it's more important that we take it and set it aside. Now, however much that is – and that's what the debate needs to be – do you take the nonrenewable natural resource revenue and say: okay, we're going to set 50 per cent of it aside or 30 per cent or 80 per cent? I don't know. That's what the discussion should be. Set that aside in endowment funds. Either separate it out for various ideas or one big lump or put it all in the heritage fund or whatever you want to do with it. Then you're able to take the interest that's generated off that and flow it out into other things.

You know, that's when you can start looking at what Norway did and what Alaska has done. Alaska is giving the personal dividends every year, and I think Norway is getting rid of its income tax because they can replace the amount of money with what they're making from the interest on their resource revenue now.

I was very frustrated to see such a simplistic, short-term idea come out of the government on this one. It's purely PR. If you want to go with the argument that, well, you know, we have a surplus, which meant that we overtaxed you and therefore we should rebate some of your taxes back to you – but the Treasurer herself has said: really, we don't now collect enough income tax from people, and we don't have any room to be reducing that any more. Really, this extra money, this surplus money, has come as a result of that nonrenewable resource, and we need to recognize that.

9:40

There's a legacy for the Premier: put in place something like that. That really would last beyond our generation and well into future generations. It really would ensure the prosperity of Alberta for – who knows? – centuries to come. But at the rate we're doing it right now, we're just pulling that resource out, turning it into cash, and spending it. The argument that, well, if you give the resource revenue to people, they'll spend it here and the money will circulate in the economy – oh, really? Okay. But what if we go with the iPod argument? I mean, let's face it. For the people who make the money off those iPods or the televisions, that money is not circulating in this economy. It's going to whoever, to the shareholders of that company in the U.S. or in multinational corporations. That's not staying in Alberta. Yes, some people probably will use it to pay their electricity bills or their rent, and in that case it is going to stay here and circulate in our economy, but those are the very people that I started out talking about to begin with, Mr. Speaker.

So I don't think this is a good idea. I don't think it's showing leadership. I actually think that it's backward thinking. It's old style, old boy thinking, and we need to move forward. I'm very conscious of the students and the younger people that are living in my constituency that challenge that old way of thinking all the time, who are very environmentally alive to repercussions and consequences of choices that we make, especially around those nonrenewable resources. They don't have a lot of patience for us when we make decisions like this because they're going: "We're not going to have the same environment. You guys will have done things to it that will forever change it." They're much more interested in environmental protection and moving forward.

What I want to see is the prosperity of Alberta in the future. I'm really impressed by what the Alberta heritage resource – I'm going to get this wrong; I'm sorry, Mr. Speaker – the medical research body that just made announcements of new scholarships . . .

Mr. Doerksen: The Heritage Foundation for Medical Research.

Ms Blakeman: Thank you. That's excellent. Thank you to whoever that came from. We'll put that one into *Hansard*. I think it was the Minister of Innovation and Science.

That had value added to it because what's happened is that people have started to come to Alberta because those scholarships are available, and that organization becomes an economic driver on its own. It starts a cluster of like-minded organizations, businesses, and individuals who come to gather around that because they all start to work with each other.

I start to think: wow. Okay. That's medical research. What if we looked at alternative forms of energy and set up a similar foundation to do that kind of work and set up something to do the same sort of work in the arts? I mean, I know how much work and what a driver and a vitalizer of our culture the arts can be, an excellent opportunity there, and we can't seem to draw any funding money out of them beyond what they've been funding since 1988. So maybe that's another way to go at future possibilities for the arts in the province.

There's enormous possibility there, which gives me great hope. When I look at very narrow thinking, like this rebate, I get extremely frustrated because it is not moving us forward in any of those directions. So I'm looking forward to the debate because I'm hoping I'm going to hear some brilliance from the other side. You know, I'll be honest with you: I'm hoping that. It is getting close to Christmas, and sometimes there are Santa Clauses, but I'm not entirely confident that I'm going to hear that. We've heard a lot of rhetoric. We've already seen the government spend a lot of money

– like, a lot of money – advertising this rebate. I mean, how bad is a rebate when the government has to do an advertising program to convince us that it was a great thing? How bad is that? Like, that's pretty miserable if they have to spend our own money to convince us that this was a good idea. If there's no other indicator than that, I think we could say that the program has failed and is not a great idea, based simply on that.

An Hon. Member: And \$10 million is ridiculous.

Ms Blakeman: Well, the books will show eventually how much money has been spent on this because there are all kinds of numbers that get bandied about. I mean, \$10 million: I think that would have printed the brochures. You know, if we're going to talk television time and production and all the rest, consultants, I bet you the final bill is way higher than that.

An Hon. Member: And you'll have to FOIP it.

Ms Blakeman: Yeah. Well, we'll likely have to FOIP it because it's always hard to tickle that kind of information out in Public Accounts, but we'll try.

You know, I find it interesting how often this government has to employ communication specialists to convince us of something that they're already doing.

Thank you, Mr. Speaker.

The Deputy Speaker: Hon. members, Standing Order 29(2)(a) is available. Before I recognize anyone under that, I would advise that I've been advised by counsel that questions and comments under Standing Order 29(2)(a) would be restricted to about 30 seconds, so I'll be asking us all to strive for that time frame as well.

Anyone under 29(2)(a)? The hon. Member for Calgary-Mountain View.

Dr. Swann: I would like to take the opportunity to ask the hon. Member for Edmonton-Centre what this investment would do in the arts, social sciences, and culture community in Alberta that this \$400 rebate would not accomplish in individual gifts?

The Deputy Speaker: The hon. member, briefly.

Ms Blakeman: Thank you. I can say right now I can't answer that in 30 seconds, Mr. Speaker.

Well, we know that, for example, to create a job – and this is a well-known statistic – in the arts sector is \$30,000. To create it in the manufacturing sector is \$200,000. So if you start to look at the amount of activity that can be generated from an endowment fund or a research foundation, such as I was discussing, it's almost endless. When we look at what we're so proud of in this province right now in our arts and our cultural sector, like Head-Smashed-In Buffalo Jump and a lot of those ideas, they all came at a time when we had a government in place that understood the value of the arts and invested in it heavily. From that we have most of the things that everybody likes to tout as being amazing right now, but we haven't added to that in any significant manner in the last 10 years.

I'm sorry. That's not as lengthy as I would like to get, but I can hear the mutterings from over there on the time.

The Deputy Speaker: Anyone else under 29(2)(a)?

Anyone on the bill? The hon. Minister of Restructuring and Government Efficiency.

Mr. Ouellette: Mr. Speaker, I just want to add a little bit to the debate here and say that I believe that this is a very, very good bill. I'm going to try and be brief and go back a little bit. Before I was an MLA, when you'd sit in the coffee shops and were in the coffee circles and listened when people got into conversations about politics, what always came up was: why does the government with all their wisdom believe that they can spend our money better than we can? Everybody always says: if there's extra money there, why wouldn't they give it to us so we can spend it? When you explain it properly to people that way, when you can say: "You know what? You may not need the money. Maybe you believe that your hospital needs a little bit of money or your school or your library or maybe someone down the block that is just on a hard-luck day today. You can walk down there and you can give them your \$400." A lot of people say: "That's right. Maybe I don't need it, but at least I get to spend it the way I want to, not a bunch of other people saying they're way brighter than us, and we're going to put it into this one particular item."

So, Mr. Speaker, I do believe that this is a good bill, and everybody should be supporting this bill because people in Alberta are brighter than a lot of other people give them credit for.

9:50

You know, there was a bunch of rhetoric going on about our using up all of our nonrenewable resources. Today, Mr. Speaker, with the technology we have, we have more reserves and resources than we've ever had, and with one ounce more of technology we will have the most reserves in the world. We talk about our depleting natural gas. With the technology we have today in coal-bed methane, we have larger reserves than ever.

So, Mr. Speaker, I think we've just listened to a bunch of rhetoric in some cases. We have a good bill here. That's all I needed to have on the record.

Thank you.

The Deputy Speaker: Under 29(2)(a), the hon. Member for Cardston-Taber-Warner.

Mr. Hinman: I guess I just have to ask the hon. member: when he says that this is a good bill and that the people are so wise in Alberta, which I agree with, why don't we give it all back, then, and follow that line of thinking and get rid of so many government programs? We're taking so much so that we can give so much. I don't follow. Either it's good or it isn't. Earlier this spring when the Finance minister was asked about this, there was no way.

I guess I'll go back to Bastiat where he talks about legal plunder, where a government takes the money through legal means as under tax laws and redistributes it. Redistribution of wealth has never worked anywhere in the world. Why does it work here? If we've got overtaxed people, which is what a surplus is, that the government is taking in more than it's spending, it should go back to those who have been taxed. And \$1.4 billion was collected on property taxes, which could have gone back. So is that a good bill, I ask you.

Mr. Ouellette: I would like to say to the hon. member across the way that we do have a surplus, and we're using the surplus very wisely to try and give to all of the people the necessities that they believe they need. I also want to remind my hon. colleague across the way that we do live in a province with the lowest taxes in the country.

Mr. Elsalhy: I would like to ask the hon. Minister of Restructuring and Government Efficiency pursuant to his statement if some of his

constituents, before or after he became an MLA – you know, they're asking them to take the money and spend it as they wish – really mentioned that better they blow the money rather than leave it with the government to blow it themselves.

Mr. Ouellette: They never ever say: give me the money to blow the money. They say: I can make good use of that money.

I also want to say that my constituents aren't all in agreement, but when I sit down and speak to them and explain that they can do whatever they like with this money, they understand it much better.

The Deputy Speaker: The hon. Member for Edmonton-Manning, Standing Order 29(2)(a).

Mr. Backs: Thank you, Mr. Speaker. The Minister of RAGE criticized some of the so-called experts that have said that this is basically throwing gasoline on the fire of a very, very active and very, very hot economy, and money that's thrown onto such a fire disappears into the steam of the fire and the burn of that economy that's so hot. My question is: why does it take so much money to try to sell this to Albertans? Why did our government have to spend so, so much money to sell this to Albertans even at the same time when there's no money in supplementary spending being spent in the whole Human Resources and Employment department at all, where we could be alleviating some of the poverty, alleviating some of the difficulties that many families still have in the midst of our plenty, and ensuring that all families have the Alberta advantage?

Mr. Ouellette: Mr. Speaker, there was so much in front there that I was wondering if he was ever going to get to the question, and I'm lost in his question.

I will have to say that I don't think I've criticized or said anything about any fires or smoke or money going anywhere. But I will say that because of all the rhetoric that does come across sometimes, we do have to publicize some of the good things that this government does. It wasn't strictly all the \$1.4 billion that's going to this bill.

The Deputy Speaker: Does anyone wish to participate in the debate? The hon. Member for Edmonton-McClung.

Mr. Elsalhy: Thank you, Mr. Speaker. I followed with keen interest the previous speakers who spoke on Bill 43, the Alberta Resource Rebate Statutes Amendment Act, 2005. To start off, I think this whole idea was probably thought of in a good way, but it came on hasty and rash. However, I am thankful that it created a bit of buzz around the province, that it stimulated discussions by the water coolers and around kitchen tables, discussions that were missed for quite a while and that ended up restoring some level of interest in the Legislature, the political scene, and policy debate.

As I was thinking about some sound bites to put into my speech, which is basically a practice that government members do all the time, and we're learning from the pros – we are going to give a rebate to the people of this province. Why not give them a rebate from the interest of a savings fund? Not the principal itself. How much could we have paid every single Albertan year after year from a dividend fund that we invested \$1.4 billion in over many, many years?

The government gave a rebate, and some people are grateful for it, but it lacks vision. It lacks direction. It lacks clarity and structure. The government doesn't have a strategy for the future. They're thinking to the next fiscal quarter, not to the next quarter century.

During the provincial election in the fall of last year the Alberta Liberals pioneered a plan that would allocate the resource surpluses year after year with a formula. Thirty-five per cent of the surplus would go into the heritage trust fund, which, I should mention, was established in 1976 and did not grow since. It's basically shrinking because today's dollars are weaker than 25 or 30 years ago. Thirty-five per cent of that surplus would go into a postsecondary education endowment fund. I know that the hon. Minister of Advanced Education worked on a plan that mimics that. Again, why stop there?

Twenty-five per cent would go into a capital account to eliminate the infrastructure debt. We all know that there was an idea floated by the hon. Minister of Infrastructure and Transportation to go back into debt, which the government referred to as good debt. I have to disagree. No debt is good, and they themselves signed a law that prohibits this province from going into debt again.

We are going to invest 5 per cent of the annual budget surplus, up to \$500 million, into an endowment fund for the humanities, social sciences, and arts, which have taken a back seat in any budget debate in this province.

Other surplus ideas that we can investigate would be to eliminate the health care premiums, like the hon. Member for Edmonton-Centre said, or novel ideas like helping out our municipalities, which are crying for more support and more money. Edmonton's mayor, Calgary's mayor, and many of the mayors and reeves across the province are asking for more support from the government.

Having said that, I have to emphasize that I and my colleagues in the Official Opposition do not begrudge those who are eagerly awaiting the arrival of the \$400 cheques. These people, many of whom are low-income earners or people on assistance, deserve all the support they can get from this province, not just a lousy \$400.

The underlying question I constantly ask myself is: why do we in this province in this day and age have people living from paycheque to paycheque or from one assistance stub to the next? Why is there poverty in the midst of prosperity? The Alberta advantage should extend to all Albertans. It is unacceptable in my opinion to let this type of need go unnoticed or unaddressed. I respect the fact that \$400 can go a long way in paying for electricity and natural gas to light and heat peoples' homes or buy clothes for their children or send them to school with something in their lunch boxes or lessen the impact of escalating school fees on those parents, et cetera.

10:00

In the *Calgary Herald* on the Friday, October 21, editorial page they wrote that by itself, "spending would never work as a strategy" and that it would "greatly inflate the size of government and pour too much fuel on an overheating provincial economy." In other words, they say, \$400 that was not planned is going to be inflationary.

We have to think beyond our current riches. The hon. Minister of RAGE indicated that we're on the verge of having the most natural resource reserves in the world, rivalling places like Saudi Arabia, for example. Fine. But these resources are nonrenewable. Even if we're discovering more today and tomorrow and the day after, they're eventually going to disappear. The resource is finite. It has a limit, and it's going to dwindle.

We have to shift our focus and our thinking from a resource-based economy to an idea-based economy, diversifying for the future, preparing for the day when these resources dwindle to a really low level or become uneconomical to harvest or extract. Take a place like Japan, for example, a country that is really small with very rugged terrain, mountains. It almost doesn't support any form of agriculture, and they don't have resources like we do here. But look

at Japan now. They came out of a world war. They were battered. They were divided. But they grew out of their pain and out of their experience into a superpower. They have the best technology in the world. Most brands and most products that we buy here, even automobiles, are made in Japan. Why is Japan such a superpower, and why can't we be?

The *Calgary Herald* also mentioned on October 13 that people who traditionally support conservative philosophy, like the Canada West Foundation, for example, are surprisingly opposed to this move to spend \$1.4 billion on the prosperity cheques. They conducted a poll of 507 people, and 51 per cent of the people who replied to that poll did not want the money to stay with the government. They wanted it spent on programs and much-needed services or, in fact, wanted some of it in the form of a dividend. So 51 per cent of the people did not want the money to stay with the government. I asked the hon. minister if that meant that they think that they should spend it and shouldn't leave it in the arms of the government, and he declared that, yes, people are smart and they should make their own decisions, and I respect that.

However, why don't we, as I mentioned, invest some of the money in expanding or growing the Alberta heritage savings trust fund? The hon. Member for Edmonton-Centre mentioned places like Alaska and Norway. These places can pay dividends in the tens of thousands of dollars to every citizen every year if they choose to.

Mr. R. Miller: You know they rake a billion dollars out of that fund every year.

Mr. Elsalhy: Yes. One billion dollars comes out of that fund every year that is shared with the citizens of those jurisdictions.

In Alberta since 1976, 91 per cent of all the revenues from reserves that we received were spent and are unrecoverable. The decision was arbitrary. It was an ad hoc decision that was apparently opposed even in the Conservative caucus itself. When we received our training as opposition MLAs when we first joined, we were clearly cautioned against making policy on the fly without proper and exhaustive research. This decision was driven or led by the Premier himself against advice from his own caucus.

Again quoting the *Calgary Herald* – and I'm intentionally not choosing Edmonton publications because people say that the Alberta Liberals are concentrated in Edmonton, so I'm quoting the *Calgary Herald*: "Premier Ralph Klein's decision abandons [the] most cherished conservative principles, not least of which is fiscal responsibility."

The Deputy Speaker: Hon. member, we don't use proper names in this Assembly.

Mr. Elsalhy: Okay. I apologize.

Also, there is another line that says that the outcry has been fiercest from the very sectors that would normally favour the return of funds to private hands – the business community. The Chamber of Commerce and probusiness think-tanks like the Canada West Foundation are opposed to that idea. I find this really interesting.

Also, now quoting the *Edmonton Journal*, Scott Hennig, the Alberta director of the Canadian Taxpayers Federation, wrote in the *Edmonton Journal* on October 2:

If your government unfairly imposes a regressive \$528 "premium" and then refunds you \$400 of [that money] as a "prosperity rebate," do you thank them?

If it is a tax your government has been imposing for many years and in fact raised by 29 per cent in 2002, never before refunding you one cent, then perhaps you do thank [the government], ignoring the fact that you are still \$128 in the hole.

What the government has done, what the Premier has done is basically refund 80 per cent of the health care premiums that the government collected for 2005, to be released back to the people who paid that health care premium in early 2006. Only 80 per cent of it was refunded. Why not scrap the whole thing? Like the Advanced Education minister is freezing tuition rates, why not cancel health care premiums like they did for the seniors and extend that to everybody in this province?

They are spending a lot of money to distribute these resource rebate cheques. I think this money could have been better spent to cover more operations; for example, people on waiting lists. They could have extended the hot lunch program. They could have waived school fees. We have many better uses. Had we been consulted, we would have offered them to the government gladly, but they chose to arbitrarily decide this and go for it. They didn't realize that most of the people in this province don't like this idea because it was not thought out.

Thank you, Mr. Speaker. I'll listen for more discussion.

The Deputy Speaker: Any questions or comments under 29(2)(a)?
The hon. Member for Edmonton-Calder.

Mr. Eggen: Thank you, Mr. Speaker. I rise with great interest to speak on Bill 43 here in the second reading. Usually I try to look for some sense of balance in respect to a bill being put forward. I like to be optimistic, to think that most bills have some element of the public's best interest in them, but I really believe that this Bill 43 is overshadowed by the fact that it enacts the very worst kind of politicized spending in this Legislature. I'm quite frankly appalled, from the moment that it came forward to this moment where I have the opportunity to speak on it. Clearly, it demonstrates a lack of vision and a lack of a plan for spending. As I say, it represents the very worst kind of politicization of the spending that goes on in here, and I find it, quite frankly, appalling.

The worst of it is that this money is so desperately needed by many Albertans. Albertans have struggled in the face of higher utility costs, ever-increasing school fees, the health care premium tax, higher fees for long-term care, the highest auto insurance rates in western Canada, and all other ways that this government has put costs and downloaded costs onto regular Albertans. So we're in a bit of a quandary. What are Albertans being offered in return? A one-time payment that would not even probably cover most people's utility bills for more than a couple of months.

10:10

The NDP has put forward a number of solid proposals that would provide real relief from the squeeze that many of us feel on our pocketbooks. I would suggest that these are practical solutions that we should consider in this House. Number one – and this crosses right across political boundaries – scrap health care premiums, a saving of \$528 for every Albertan this year: approximate cost of \$850 million. Please note that effective October 1 all seniors and some low-income Albertans are partially exempt from paying these premiums, but still two and a half million Albertans are paying these full premiums. We don't need this sort of flat tax on everyone, a head tax so to speak, and everybody would be most relieved. I'm sure everyone's constituents on both sides of the House would appreciate this more than anything else on an ongoing basis.

Number two, cut the provincial school property taxes at least by half. Savings for residential property owners would be about 500 bucks per year. Scrapping school property taxes completely nearly doubles those savings.

Number three, increase the basic personal income tax exemption

to \$20,000 from \$14,000. At the current 10 per cent flat tax rate this would represent a saving of about \$550 per individual taxpayer per annum in Alberta personal income taxes and a yearly total revenue loss of about \$750 million to the province.

Mr. Speaker, considering the serious circumstances that many people are in, I realize the importance and necessity of accepting these one-time cheque payouts as proposed by Bill 43. However, there are so many better ways that we could structure our financial future here in this province. I would suggest that we would have the opportunity to give out something like a dividend or a rebate on perhaps even an annual or biannual basis if we collected a reasonable return for the oil and gas revenues that companies are extracting from this province and paying a bargain basement rate for. If we were able to look at those royalty rates in a reasonable way and not give out these fire-sale prices to large companies, who are laughing all the way to the bank – and that money is passing right out of this province; it never even touches the ground – then we would be able to give out rebate cheques and benefits to our citizens on an annual basis.

So, Mr. Speaker, for the sake of brevity I just wanted to express my absolute disgust with the means by which this is happening. I recognize the necessity of it. Many of my constituents are certainly eagerly anticipating this cheque to meet the extra costs that have been downloaded on them for many years. But let's try to do something that is a little more permanent, a little bit lasting, and something responsible that young individuals can look up to and say that we're doing something for the future and not just for the immediate, political present.

Thank you.

The Deputy Speaker: Comments or questions under Standing Order 29(2)(a)? The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you. I just wanted to ask the hon. member: if he's so disgusted with the cheque, I wondered if he had already planned what he was going to do with his.

Mr. Eggen: I don't think I have to necessarily tell you what I'm going to do with my finances, thank you very much. I certainly think that there are a lot of reasonable ways that I can spend that money in a constructive manner, but you can make your own choice. I'm not going to tell you. I don't need to tell you necessarily what I'm going to do with my money. Right?

Ms Blakeman: Give us some examples of how you're going to do it.

Mr. Eggen: There are many things that certainly have passed through my fertile imagination. First of all, I could invest it in change, and I would invest perhaps, you know, in different charities that could use the money. I would look for ways to invest it in certain political parties that could make real, lasting political change in this province. I do have some political parties that I do like to invest in. I was just discussing that with my honourable friend over here. I always like to make investments in the Alberta Alliance Party, who I appreciate very much. Absolutely.

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

Mr. Oberle: Thank you, Mr. Speaker. I'd like to congratulate the hon. member for his wise choices and for his fertile imagination. I would just like to ask him why it is that he seems to think he's the only Albertan that's capable of making such wise choices in what to do with the prosperity bonus.

The Deputy Speaker: The hon. member.

Mr. Eggen: Thank you, Mr. Speaker. I certainly didn't say anything to that regard whatsoever. I said that this is just a matter of taking some money, that some people wrote on the back of a napkin some kind of plan. "What are we going to do? I don't know. I don't know." Maybe someone lost the napkin in between, and then somehow at the end of the day we end up with this embarrassing politicized way of spending our money. That's what I said. I didn't say anything about people not being responsible. In fact, I think that Albertans are responsible to know exactly what this is all about. It does not pass the smell factor.

Thank you.

The Deputy Speaker: Anyone else on 29(2)(a)?

The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. One of the members across the floor was saying that she was looking for some brilliance. Unfortunately, you won't find any brilliance sitting my chair, but I do want to join in the debate and make a couple of comments with respect to things that are said relative to a lack of a resource revenue policy.

Certainly, anybody living in the province of Alberta that's paid any attention whatsoever to what this government has been doing in the last four or five years would at the very least understand that we have in place and are following a 20-year strategic plan. That plan is our policy, and that plan does include a policy to deal with resource revenues. Mr. Speaker, the plan is based on four solid pillars: unleashing innovation, leading in learning, competing in a global marketplace, and being the best place in which to live, work, and visit.

Mr. Speaker, this government went out some time ago. We've consulted with the public in Alberta on all of these major issues. Whether or not other people like to agree with the consultation or if they disagree with what the people of the province of Alberta are asking us to do, then I'm sure that, you know, they can pick all sorts of holes in what it is that we do.

It's Your Money was a circular sent out to Albertans, and it was one of the most subscribed to pieces of information that we had asked people to respond to as a government, to tell us what they thought we should do with their money.

Subsequent to the strategic plan and subsequent to asking Albertans that question, we brought in an additional plan. It is a plan, Mr. Speaker, and it has been activated, and the results today are already noticeable and in 20 years will be spectacular. We had made a commitment to Albertans on a number of different capital expenditures for infrastructure around the province. With some of the surplus money we will fund the commitments already made.

Then, Mr. Speaker, we have a three-point plan. This is a plan that Albertans developed and this government developed with the help of Albertans, and we are moving forward on this plan. First of all, we're going to increase investment. We're going to save. We're going to increase investment in the infrastructure that is required in the province to meet the terms of our 20-year plan. If you have a solid plan with a solid foundation, with the four pillars, it has to have some investment in order to make it work. Albertans have asked us to make those investments, and we're doing that.

10:20

Secondly, what we're going to do is save, save for the future. Albertans asked us to save, and if you would spend even a little bit of time taking a look at what's happened with our surplus money,

you would see that our endowments, Mr. Speaker, in many areas of endowment, have been and will continue to be bolstered and brought up to a level that will truly sustain them in the long term.

Mr. Speaker, after that, what Albertans want was to give back their money, and that's exactly what we're doing. We are giving back to Albertans a portion of the money that was rightfully their money brought into the provincial government through the resource revenue system.

Mr. Speaker, we need to be also cognizant of a fact here that a balance needs to be reached. When you're talking about going out and spending billions of dollars, which we already are, in infrastructure across the province, we would want to be sure. It's been mentioned by members across the aisle that in a heated economy you need to have a balance of how much money you're going to put into capital. Sure, it would be great. Take the \$1.4 billion, build more schools, build more hospitals, build whatever. However, we took a very calculated look and made the determination that the amount of money that this government is investing in capital projects in the province of Alberta now is what is doable and sustainable with the province's ability to absorb that capital investment.

So, Mr. Speaker, I think that the debate on this particular piece of the bill, of course, as we would understand, has led into a much, much broader arena. However, just looking at what we've done and the last piece of the plan that we laid out to give back to Albertans some of this resource revenue, I believe that this bill deserves support of the House.

Thank you.

The Deputy Speaker: Anyone under Standing Order 29(2)(a)?
Seeing none, the hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn debate.

[Motion to adjourn debate carried]

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

[Mr. Marz in the chair]

The Chair: I'd like to call the committee to order.

**Bill 48
Justice of the Peace Amendment Act, 2005**

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

Mr. Stevens: Thanks, Mr. Chairman. I have some relatively brief comments. It seems to me that I outlined in some detail the history with respect to this bill in second and received a concurrence from the people who spoke in the opposition.

I think the clearest way to deal with the amendments in Bill 48, Mr. Chairman, is to discuss each amendment as it relates to the original section. There are only three sections to the act that are to be amended. Two of them are virtually the same, so the same amendments apply to both sitting and nonsitting JPs alike, and I outlined what that is in some detail in second reading.

With respect to section 7(5) currently this section provides that a person who was a nonsitting JP on January 31, 1999, under the old justice of the peace system shall be appointed and designated a

presiding JP under the reformed system. The Judicial Council determines who is qualified to be a presiding JP.

The proposed amendment to this clause would clarify this transitional section. The amendment ensures that there is no continuing mandatory legal obligation to appoint as presiding JPs those persons who have become qualified after January 31, 1999. The amendment to this section will be retroactive to January 31, 1999.

The intention of the legislation when the justice of the peace system was reformed in 1999 was to have the Judicial Council make a determination as to whether the incumbent nonsitting JPs were qualified to be appointed as presiding JPs under the reformed system. Those determined to be qualified would be designated as presiding JPs in the reformed system. Those determined not to be qualified would be appointed as nonpresiding JPs in the reformed system. The Judicial Council made its determination and appointments were made.

As I mentioned in second reading, this provision was not intended to be long term. It was transitional, intended to ensure a smooth transition from the old to the new. The provision was not intended to require the appointment of incumbent JPs under the new system if they were not found to be qualified at the time of the 1999 reforms. If, since the 1999 reforms, a JP is found to be qualified by the Judicial Council, he or she may certainly apply for a new appointment at the presiding JP level. What we are clarifying is when the requirement to mandatorily appoint these JPs applies and when it does not. What we are saying is that now, six years after the stricter qualifications were brought in, those who now qualify can apply for an appointment along with other qualified candidates, but there is no legal obligation for them to be automatically appointed as presiding JPs.

Section 7(4) is being amended exactly as subsection (5), which I've just described. The wording of the amendment is the same and the rationale is the same. It merely applies to sitting JPs instead of presiding JPs. For consistency's sake, sitting and presiding JPs should be treated the same.

Section 15(1) is the only other clause that is being amended. Currently this section, which describes the regulation-making power of the Lieutenant Governor in Council, may not provide sufficient authority to make the regulation that has the affect of restricting the jurisdiction of sitting JPs. The amendment adds a specific regulation-making power to section 15(1), providing clear authority to issue the constitutional notice regulation under the Justice of the Peace Act. Constitutional notice regulation provides that justices of the peace are not assigned to determine matters related to aboriginal, constitutional, or Charter of Rights. The validity of the regulation has been challenged on the basis that such a regulation to be effective must be issued under the Justice of the Peace Act. The amendment merely clarifies the authority of this government to do this.

In conclusion, I would appreciate support for the bill as it currently is structured and look forward to comments from other members. Thank you.

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

Ms Blakeman: Thanks very much, Mr. Chairman. I appreciate the opportunity to speak in Committee of the Whole to Bill 48, the Justice of the Peace Amendment Act, 2005. I have heard from my colleague who is the Official Opposition critic on this bill, that being the Member for Edmonton-Glenora, that he regarded this as a useful bill and did indeed support it. We would obviously have no problem with a bill that's ensuring that JPs are properly qualified for their

responsibilities, ensuring that there is a proper appointment process, and being able to ensure that there is a way of distinguishing between presiding and sitting JPs.

I understand that a briefing was made available from the department to the critic. We have had the opportunity to check with some stakeholders in the community and to my knowledge there have been no issues raised that would be contrary to the passage of this bill, so at this time I'm happy to support Bill 48 in Committee of the Whole.

Thank you.

[The clauses of Bill 48 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? Carried.

10:30

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the committee rise and report Bill 48.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Johnson: Mr. Speaker, the Committee of the Whole has had under consideration a certain bill. The committee reports the following bill: Bill 48.

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

Hon. Members: Concur.

The Deputy Speaker: Opposed? So ordered.

The hon. Government House Leader.

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

[Motion carried; at 10:32 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

