

Legislative Assembly of Alberta

Title: Wednesday, May 9, 2007

1:00 p.m.

Date: 07/05/09

[The Speaker in the chair]

head:

Prayers

The Speaker: Good afternoon.

Let us pray. We give thanks for the bounty of our province, our land, our resources, and our people. We pledge ourselves to act as good stewards on behalf of all Albertans. Amen.

Please be seated.

head:

Introduction of Guests

The Speaker: The President of the Treasury Board and Minister of Service Alberta.

Mr. Snelgrove: Thank you, Mr. Speaker. When you arrived today, Mr. Speaker, you probably noticed that someone had placed a carnation on your desk as well as on the desk of each and every hon. member. These carnations are courtesy of the Alberta division of the Multiple Sclerosis Society of Canada. It is a symbol of support for those Albertans who live with multiple sclerosis every day. I stand to recognize that May is MS Awareness Month and invite each of you to show your support by wearing the carnation. I would particularly like to recognize the hon. Premier and his wife, who served as honorary MS Super Cities Walk co-chairs.

We are pleased, Mr. Speaker, to have some representatives with us from the MS Society today. I would ask them to stand as I call their names and at the end be recognized by the Assembly. Yves Savoie, the national president of the MS Society of Canada; Neil Pierce, the president of the MS Society of Canada, Alberta division; Garry Wheeler, the vice-president of the MS Society of Canada, Alberta division; Judy Gordon, well known to this Assembly, a former member; my good friend Joan Ozirny, a board member of the Alberta division; Darrel Gregory, the director of communications, MS Society of Canada, Alberta division; Adeline Blumer, director, client services, MS Society of Canada, Alberta division; Scott Rattray, director, client services, MS Society of Canada, Edmonton chapter; Michelle Kristinson, director of government relations, MS Society of Canada. On behalf of all of us thank you so much for what you do, and welcome to the Alberta Assembly.

The Speaker: President of the Treasury Board, do you have a second introduction?

Mr. Snelgrove: Yes, I do and thank you. Mr. Speaker, I have a group here from the School of Hope. The School of Hope is literally centred all over Alberta, but its head office is in Vermilion. What a terrific name for a school, for surely it is the hope of all of us that we can learn and develop a life we want. Their teacher today is Mrs. Linda Jacejko. Some of the parent helpers are Mrs. Nancy Perozok, Mrs. Christine Hogan, Mrs. Benita Straughan, Mrs. Hilde Price, Mrs. Ruth Glombick, and Mrs. Harvena Chiacchia, and Mr. Silver Chiacchia. Would they please stand and receive the warm welcome of this Assembly.

The Speaker: The hon. Minister of Tourism, Parks, Recreation and Culture.

Mr. Goudreau: Well, thank you very much, Mr. Speaker. It's my pleasure today to introduce to you and through you to the members

of this Assembly a group of 18 visitors from Bonanza school. You know, this is my lucky week, I believe, or two weeks. This is my second group that I get to introduce and in such a short while. Bonanza school is only a few miles away from Dawson Creek in our neighbouring province, B.C., and certainly they've travelled and spent many, many hours on the road to be with us today. They are accompanied by their teacher, Mr. Randy Carlstad, and parent helpers Mr. Hal Keith, Mrs. Joann Eneyedy, Mrs. Bridget Fedorvich. I would ask them to rise and receive the warm traditional welcome of this Assembly.

The Speaker: The hon. Member for Strathcona.

Mr. Lougheed: Thank you, Mr. Speaker. I am pleased to introduce to you and through you to the members of the Assembly two folks from EmployAbilities, an organization which helps persons with disabilities find work in our community. Seated in the public gallery is the president of the board of EmployAbilities, Mr. John Ough, and the executive director, Iris Saunders. I'd ask them to rise and receive the warm welcome of the Assembly.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to all members of the Assembly a constituent, Charmaine Rose. Charmaine is also going to experience a rent increase at the end of her lease in August. She lives with her cat, and she will sacrifice whatever she has to in order to stay where they are, but she does feel that it will affect her food budget and her basic necessities. So, Charmaine, if you would please rise and allow us to welcome you to the Alberta Assembly.

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

Mrs. Mather: Thank you, Mr. Speaker. It's my privilege to introduce a constituent today. Her name is Tracey Culley. She and her husband moved to Alberta from Ontario about seven months ago to seek better opportunities for themselves, but they have not been able to find housing. I'd like to introduce to you and through you to the Assembly Ms Tracey Culley and ask that she stand and receive the warm traditional welcome.

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

Dr. B. Miller: Thank you, Mr. Speaker. I would like to introduce to you and through you to all members of the House a group of people from the Edmonton-Glenora constituency – Della Kerfoot, Bernadette Thomas, Cora Davis, William Crowley, Mary Ladouceur, Paul Neville, Douglas Klein, Mark Fife, Viola Ellard, Pat Ellard, Sherri Rivest, Ken Armstrong, Braden O'Neill,* Chris Swaren, and John Wodak – and Murray Soroka of the Jasper Place Health and Wellness Centre. They're all here to meet with the minister of housing about unaffordable rent increases. They expect to meet with the minister after question period, and I would like to have them all stand and receive the warm welcome of this House.

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

Mr. R. Miller: Thank you very much, Mr. Speaker. It's my pleasure to rise this afternoon and introduce to you and through you a constituent, Dianne Raymer, who is a single lady – and I'm not sure if that's an offer for those of us in the crowd who may be single or not – living alone. She's concerned that the next rental increase

*This spelling could not be verified at the time of publication.

will be the one that forces her out of her current housing situation. She as well is here to hear discussion on the issue of rent controls and hopefully have the opportunity to meet with the minister this afternoon.

Thank you.

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

Mr. Elsally: Thank you, Mr. Speaker. I would like to introduce to you and through you to all members of this House Mr. Eric Lindstrom, a constituent in Edmonton-McClung. Mr. Lindstrom is one of many concerned Albertans who do not understand and cannot believe the housing crisis we're facing in this province. He's here to make sure that his concerns and suggestions are listened to and considered. I, too, suspect that he may even later try to have a word with the housing minister as some of the honourable guests today are trying to do. I invite Eric to please stand, and I call on all members of this House to give him the traditional warm welcome.

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

Mr. Bonko: Thank you, Mr. Speaker. It's a pleasure for me to rise today and introduce to you and through you to all members of the Assembly a group of constituents of mine who are here to tour the Leg., some for the very first time and some haven't been since Manning was the Premier. I'd like them to rise when I give their names: Mr. John Bizuk, Pauline Bizuk, Garry Larsen, Anne Peterson, Joe Stepa, Lorna Symic, Beebee Chang, Rema Halabi, and Crystal Grunling. Please give them the warm welcome of the Assembly.

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

Ms Pastoor: Thank you, Mr. Speaker. I'd like to introduce to you and through you to this Legislature a very dear family friend from Lethbridge who is sitting in the public gallery. Gordon Koppang is a graduate from the University of Lethbridge. He has cerebral palsy and is on AISH. He does not have any family. Gordon is courageous and a fighter. He's a leader in his church, studies, and writes poetry. He gets to the YMCA to work out to fight to keep himself as mobile as possible. He practises preventive health behaviour just as this government has said he should. His rent went up, but so did his luck. He has finally been accepted into Lethbridge Housing after waiting three years. He will live in 350 square feet. Please, would we welcome him to this House. I would ask him to rise.

The Speaker: The hon. leader of the third party.

Mr. Mason: Thanks very much, Mr. Speaker. I'm pleased to introduce to you and through you to this Assembly Mike Woolridge and Dorian Deresh. Dorian and Mike are Palace Casino workers entering the 243rd day on the picket line due in part to this government's inability to protect Alberta workers through the creation of fair and comprehensive labour legislation. Mike is a floor attendant and has been there since 2006. Mike hails from Gander, Newfoundland, and has a long history in community activism. He's been a volunteer firefighter and a first aid instructor. Dorian has been working at the Palace Casino since August of 2001. He works as a custodial staff member in maintenance. They're both accompanied by UFCW 401 representative Don Crisall. I would now ask that they rise and receive the traditional warm welcome of this Assembly.

1:10

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

Mr. Cenaiko: Thank you very much, Mr. Speaker. It's my honour to introduce to you and through you to members of this Assembly one of Canada's youngest top-40 entrepreneurs – he was given this award yesterday in Toronto – as well as being a University of Calgary alumnus who just received the award for alumnus of the decade. I'd like to introduce to you Ravinder Minhas, president of Mountain Crest Brewing Company. I'd ask him to please rise and receive the warm welcome of this Assembly.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I have a second group to introduce to you and through you to all members of the Assembly today. Joining us in the members' gallery are six members of the Personal Support & Development Network. They are Mr. Joel Heidebrecht, Mr. Core Charrette, Mr. Edward Leslie, Ms Grace Jacobs, Mr. Harley Cardinal, and Ms Jillian Glasser. I would ask them all to please rise and accept the warm welcome of the Assembly.

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

Mr. Tougas: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of this Assembly a constituent from Edmonton-Meadowlark. Majorie Wolf has recently received a rent increase of \$350 a month. She's on a fixed income and is concerned about how she will make ends meet if rents continue to rise. I ask her to please rise and accept the traditional warm greeting of this Assembly.

head:

Members' Statements

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

Youth Secretariat

Mr. Rogers: Thank you, Mr. Speaker. As chair of the Youth Secretariat it is my pleasure to share with you and this House the important work being done by the Youth Secretariat, which is housed within Alberta Children's Services, youth strategies branch.

Formed in 1999, the Youth Secretariat aims, engages, and empowers youth to provide feedback and advice on proposed strategies, recommendations, and findings on issues related to youth. Most recently, Mr. Speaker, as chair of the Youth Secretariat I've had the opportunity to work with the staff of the youth strategies branch on the provincial Youth Advisory Panel, which meets bimonthly. The Youth Advisory Panel, as many of you know, was established to provide ongoing youth perspective on all work done by the Youth Secretariat. What you might not know is that with the creation of this panel, Alberta is the only province to provide youth with a unique opportunity and the privilege to be involved in a formal way in advising government.

Mr. Speaker, youth strategies is hosting the Uniting for Children and Youth Forum at Northlands from May 10 to 11 of this week. Service providers, parents, youth, and experts will join together to share their expertise. As chair I will be moderating a youth panel, and this panel will provide delegates with the opportunity to hear amazing stories of struggle, resiliency, and success.

Mr. Speaker, the secretariat will be recruiting new panel members

this summer. I would encourage all members who know of exceptional youth between 16 and 22 who may be interested in contributing to this vital work to contact me or Mr. David French of youth strategies in the Ministry of Children's Services.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Strathcona.

Employment for Persons with Disabilities

Mr. Lougheed: Thank you, Mr. Speaker. As you all know, Alberta's booming economy has resulted in a labour shortage in almost all fields of endeavour. I know that employers, business associations, our government, and others are working hard to fill the gaps that exist. However, there is one labour pool of skill, talent, and desire right here in Alberta that remains undervalued and underutilized. I'm talking about persons with disabilities.

The most recent statistics we have show that in 2001 52 per cent of persons with disabilities in Alberta were working compared to 79 per cent of persons without disabilities. This means that up to tens of thousands of Albertans might be working if given the right opportunity and support. I know from speaking to people across the province that there has not been much change since 2001, not enough change to be sure. The gap remains. For the most part, it exists because employers lack an appreciation of what persons with disabilities can do. There is also some resistance to provide suitable accommodation in the workplace. For the most part, these barriers exist because of a lack of education and understanding. For example, most employers do not know that 80 per cent of job-related accommodation for persons with disabilities costs less than \$500.

Many organizations are working to improve career and employment support for persons with disabilities, including Alberta Employment, Immigration and Industry. One community organization that I would like to recognize is EmployAbilities, an Edmonton-based, nonprofit organization who launched a television awareness campaign in March. The ads generated a lot of interest and do an effective job of helping to tear down walls that prevent persons with disabilities from getting and keeping jobs.

At a time when Alberta is desperate for workers, it's in our best interest to accommodate all Albertans who want to work.

Thank you.

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

Affordable Housing

Mr. Taylor: Thank you, Mr. Speaker. Back in 1998, from June 15 to 18, a housing symposium was held in Edmonton to address the pressing need for more affordable housing for families, senior citizens, and Albertans with special needs. That was nine years ago. We should have seen this affordable housing crisis coming. For reasons unknown to me we didn't. Had we seen it coming and had we acted on it nine years ago or five years ago or even three years ago, we would probably not have to be talking about what has been the main topic of conversation in this House and across this province for the last several days: rent controls, rent guidelines, temporary rent regulations. Call them what you will.

Rent regulations, protection for renters from outrageous rent increases, are, in our view on this side of the House, now probably inevitable if we are going to allow people to keep the roofs they have over their heads now while we set about the long process of building more roofs over people's heads. But they are only one piece of the puzzle, and that really needs to be stressed, Mr. Speaker, because whether it's rent regulations or any other single solution to the

affordable housing crisis, we need not, we must not get hung up on that solution as the one and only solution.

What we need to do is come at this with a whole basket of solutions, tackle this simultaneously on a number of different fronts – short term, medium term, long term, and sustainable – otherwise, we're just going to be pouring more money down the drain, and at the end of five years we won't be any further ahead. But key to this is the province demonstrating a firm and consistent and continuous commitment, something this government has not done yet and which I urge them to get their heads around doing, a continuous commitment to solve the affordable housing crisis until it is solved because, Mr. Speaker, everybody needs a home.

Thank you.

The Speaker: The hon. Member for Livingstone-Macleod.

Stavely Indoor Professional Rodeo

Mr. Coutts: Thank you, Mr. Speaker. While some Alberta communities search for new and innovative ways of promoting economic development or events, the people of Stavely and district have spent the last 50 years perfecting an exciting event reflecting their heritage. The first professional indoor rodeo in Canada was held in Stavely, Alberta, over 50 years ago, and this last Sunday myself, the Minister of Agriculture and Food, the MLA for Highwood; and the Minister of Employment, Immigration and Industry, the MLA for Sherwood Park, who proudly calls Stavely home, attended the event.

The Stavely Indoor Pro Rodeo evolved by the collective vision of three original families from this famous ranching district. The Schlosher, Cochlan, and Streeter families began the event, and today descendants of those families still volunteer their time to make the event a roaring success.

Kim Cochlan chairs the pro rodeo committee, and Greg Schlosher, a former two-time Canadian pro rodeo champion, still runs the infield. They are guided by the very active Stavely agricultural society led by Kelly Hall. With up to 50 seasoned volunteers the community event goes off like clockwork. Arena announcer Les McIntyre, Dennis the rodeo clown, the professional cowboys and cowgirls doing their events keep the audience of 1,700 people riveted to their seats with excitement and humour.

Congratulations must go to the entire community of Stavely and district, the Stavely agricultural society, and the event sponsors for over 50 years of community spirit. When it comes to defining the words volunteerism, dedication, innovation, pride, and fun, it can be summed up by the phrase: Stavely annual pro rodeo, first weekend of May 2008. Come and enjoy the heritage and the tradition.

The Speaker: The hon. Member for Lesser Slave Lake.

1:20 Esquao Awards for Aboriginal Women

Ms Calahasen: Thank you, Mr. Speaker. On Thursday, May 3, thousands of aboriginal Albertans came together to celebrate Alberta's aboriginal women's achievements at the Esquao awards held in Edmonton. These awards are the brainchild of Muriel Stanley Venne, president of IAAW, who believed that aboriginal women needed to be recognized for their contributions to society. I was privileged to attend this gala and be the co-master of ceremonies with Andy Popko, vice-president aboriginal relations, EnCana. I'd like to thank the many colleagues from all parties of this House who attended.

Twenty exceptional aboriginal women who have made notable achievements in the categories of science and technology, leader-

ship, justice, health and medicine, community involvement, culture, education, business, social services and advocacy were recognized. These tremendous women have demonstrated the value of having a tenacious work ethic and an ambition for success. In their many capacities they have provided indelible leadership for their communities and this province. They have served as exceptional role models for all those who struggle to overcome societal adversities.

These aboriginal women are part of a broader vision for their communities, a vision that promotes tolerance, inclusion, dignity, and respect. They have faced their challenges with pride, intelligence, and confidence, ultimately leading them to excel beyond their own expectations. Their respective successes represent a positive future, especially for young aboriginal people who look to these women for guidance and to be directed by their strength and perseverance. As an aboriginal woman, Mr. Speaker, I am proud that we are recognized in the matrilineal and matriarchal society that's being revived in our aboriginal communities.

Congratulations to the many women: Mary Kappo, Lena Bumstead, Doreen Lameman, Barbara Courtorielle, Betty Bastien, Ruby Lacombe, Claudette Rain, Margaret Cardinal, Sokaymoh Frederick, Alma Desjarlais, Marion LaRat, Claudia Simpson, Pauline Thompson, Doris Courtorielle, Lucille Cook, Doreen Cardinal, Susan Cardinal Lamouche, Leigh Ann Houle, Michelle Morin, Laverne Arcand, Laura McLaughlin, and to the circle of honour recipient, Audrey Poitras. Your innovative spirits have had and will have momentous impacts on our community.

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

Official Gemstone of Lethbridge: Ammolite

Ms Pastoor: Thank you, Mr. Speaker. This is a proud time for me to represent my constituency of Lethbridge-East because recently Lethbridge became part of a rare minority of cities by naming its official gemstone, ammolite. The people of Lethbridge are already proud of their city's unique plant and wildlife, and now they have added the fossil ammolite to be the allure of Lethbridge.

Ammolite was first discovered in southern Alberta in the early 1970s and given its official gemstone status in 1981. It is formed from ammonites, an ancient marine fossil. Although ammonites are found around the globe, it is only in southern Alberta that this deposit produces the gemstone ammolite. Ammolite is mined by Korite International in the St. Mary River, just south of Lethbridge, and coveted around the world. The gemstone is multicoloured, having a complete spectrum of colours in its purest form.

This beautiful rarity will no doubt gain Lethbridge and Alberta greater recognition throughout the world for its natural wonders. I would like to congratulate the city of Lethbridge on its adoption of ammolite into its culture, and I would like to thank Lethbridge city council for the unanimous decision which will bring attention and praise to an already well-deserving city.

head: **Presenting Petitions**

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

Mr. Elsally: Thank you, Mr. Speaker. I am continuing with the tabling of petitions from concerned Albertans throughout the province, this time 469 signatures. The petitions reads:

Whereas the ongoing rent affordability crisis is contributing to Alberta's worsening homelessness situation, we, the undersigned residents . . . hereby petition the Legislative Assembly to urge the [government] to take immediate, meaningful measures to help low-income and fixed-income Albertans, Albertans with disabilities and

those who are hard-to-house maintain their places of residence and cope with the escalating and frequent increases in their monthly rental costs.

Thank you.

head: **Notices of Motions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Renner: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(3.1) to advise the House that we will be accepting written questions 12, 13, and 14.

I further give notice that on Monday, May 14, 2007, motions for returns 5 and 6 will be dealt with. Motion for Return 4 will stand and retain its place on the Order Paper. There being no additional written questions appearing on the Order Paper, there are none to stand and retain their places.

head: **Tabling Returns and Reports**

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

Mr. Hinman: Thank you, Mr. Speaker. I'd like to table the appropriate number of copies of an article from the *Calgary Herald*. It has an amazing resemblance to a speech the other day in the House.

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

Mr. Agnihotri: Thank you, Mr. Speaker. I'm tabling five copies of an e-mail that I received from my constituent Charlynn Cox, who is concerned about proposed changes to the tenants and landlord act. Her townhouse is changing ownership. She had a rent increase in March of this year. Now she's afraid of becoming homeless if new owners bring in a new tenant at a higher rent.

Thank you.

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

Mr. Chase: Thank you, Mr. Speaker. I have three tablings today on behalf of Calgarians Wayne Llewellyn and Robert Gagne, who between them have over 50 years of property assessment expertise. They are concerned about sections of Bill 26 which take the appeal process out of legislation and hide it in ministerial discretionary regulations.

The first tabling is entitled Standard on Assessment Appeal, which was approved in 2001 by the International Association of Assessing Officers.

My second tabling is entitled Report and Recommendations to the Minister of Municipal Affairs on Equalized Assessment in Alberta.

My third tabling is entitled Getting It Right, an investigation into the transparency of the property assessment process and the integrity and efficiency of decision-making.

Thank you, Mr. Speaker.

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

Mr. Elsally: Thank you, Mr. Speaker. I have three tablings. The first one is a letter received April 26 from a constituent, Eric Lindstrom, who's here today, detailing his many concerns with respect to the current housing affordability crisis and offering suggestions for possible solutions. Eric mentions rent control, rent allowances, designated housing, and the government still playing a role to help people.

The second one is another Edmonton-McClung constituent, 87-year-old Mrs. Mary Swain. She urges the Premier to rethink his opposition to rent controls and says that she understands why he may not want to call an election right now because many unhappy people will likely not support his party. Her rent is going up to \$774 for a one-bedroom apartment, and she can't afford it.

The third, Mr. Speaker, the last one, is again from Mary Swain, a copy of the your rent is past due, submit payment now notice which her landlord uses to notify tenants that they're late paying. She says the bright red notice is customarily placed on people's mailboxes. She finds it offensive, and it's meant to be an embarrassment, not a means to collect payment.

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

Mr. Eggen: Thanks, Mr. Speaker. I'm tabling the appropriate amount of copies of a letter sent to the Minister of Service Alberta from Margaret Linklater from Lacombe. She's appalled by the minister's response to rent controls and feels ashamed.

Thank you.

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

Mrs. Mather: Thank you, Mr. Speaker. I have two letters to table today. The first is from a constituent of Edmonton-Mill Woods, Glenda Murphy, explaining in detail a major concern regarding the proposed seismic testing slated to happen this summer on Marie Lake in the Cold Lake region.

The second letter is from Maxine and Arnold Jol of Spruce Grove. It's a strong request for support for children with special needs by not cutting funding to those children who receive specialized services through the family supports for children with disabilities and the multidisciplinary review board.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have one tabling today. It's a letter that I received from the hon. Minister of Finance dated March 15, 2007, and it's regarding the Government Fees and Charges Review Act.

Thank you.

head:

Oral Question Period

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

Rent Supplement Programs

Dr. Taft: Thank you, Mr. Speaker. This week we've raised concerns about double standards in public policy when it comes to affordable housing. Well, here's another one. Out-of-town MLAs receive \$1,750 a month in accommodation allowance to cover the costs of housing in Edmonton, and that allowance has risen \$450 a month in just the past two years. My question is to the Premier. Can the Premier understand the anger of Albertans when they see that he and almost all of his ministers receive \$1,750 a month in accommodation allowance but are offering nothing close to that to Albertans who are facing a rental crisis? Why the double standard?

1:30

Mr. Stelmach: Mr. Speaker, time and time again I got up in this House and I said: examining all the evidence that's been given to

this government caucus, rent controls are not a magic bullet, simply said.

Dr. Taft: Well, I imagine people noticed that that was complete avoidance of my question.

The Premier and his ministers keep saying that Albertans facing unaffordable rent hikes should be patient and should wait for the situation to resolve itself. It's easy, of course, for the Premier to say when he gets \$1,750 a month in taxpayer-funded accommodation allowance, but it's not so easy for the many Albertans facing huge rent increases. Again to the Premier: does the Premier think it's fair that out-of-town MLAs receive \$1,750 a month in accommodation allowance but don't provide anything like the same benefits to Albertans facing a rental crisis?

Mr. Stelmach: Mr. Speaker, once again the hon. leader is talking about rent controls. Again I have to repeat: rent controls will only make the situation worse. We will have less housing in the marketplace by following that kind of policy that they're trying to push forward in this House.

Dr. Taft: Well, this March 19, just this spring, the Premier indicated in this Assembly that he would be willing to debate me "any time, anywhere" on the water transfer from the Red Deer River to Balzac. I'm happy to take the Premier up on his offer. Maybe we can undertake that debate during the Drumheller-Stettler by-election. Now I'd like to return the challenge to the Premier. Will the Premier agree to a public debate on the affordable housing crisis?

Mr. Stelmach: Mr. Speaker, one of the few leadership candidates that recognized that housing was an issue. We made it a priority for this government, and there will be significant debate tonight and tomorrow with respect to how we deal with the critical issue.

Mr. Speaker, in the first three months of this year over 11,000 people came to Alberta. That's significant. Where did they come from? Net migration from other provinces: the province that lost the most was Ontario. Guess what the label of that government is? And you know what? They have rent controls in place.

The Speaker: Second Official Opposition main question. The hon. Leader of the Official Opposition. [some applause]

Dr. Taft: Thank you. I appreciate that, everybody.

Dr. Taft: Mr. Speaker, though the affordable housing crisis has been building for a long, long time, this government seems to have been caught off guard. Now it seems to be making up policy on the fly. I guess it's their tradition. It has promised millions in programs and even handed out phone numbers for the public to call, but nothing concrete seems to be in place. To the Minister of Municipal Affairs and Housing: what is the income cut-off level for people to qualify for the recently announced rental supplement program?

Mr. Danyluk: Well, Mr. Speaker, I want to say to the hon. member that this government and our Premier do take very seriously those in need. In fact, yesterday we had 25 people that came to this Legislature. We met with those individuals. Of the 25 people, seven individuals stayed to talk to our staff about eligibility for support, and I'm happy to say that four did qualify.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. People working full time at \$15

an hour earn a gross income of about \$2,400 a month. After paying taxes, health care premiums, food, transportation, and other expenses, not much is left when they face a big rent increase. To the Minister of Municipal Affairs and Housing: what happens to the many, many working poor who are above the income cut-off but are still facing huge rent increases?

Ms Evans: Mr. Speaker, that whole area of what we do for people who are in dire circumstances comes to my ministry. We have several examples of issues that we have dealt with in a very positive way, dealing with them on an individual basis. Let me talk to you about the couple in their 50s who relocated from British Columbia. He came here because he had a disability. He wanted support. The wife couldn't work because she had to stay home and look after him. The rent was \$800 a month, and they were in arrears by one month. We issued immediately a thousand dollars in emergency funds with the director's approval, income support for May, job search support for the wife arranged by our department, found a job, made a placement, and found them a place to live.

Dr. Taft: Well, we can play that game, too, now.

Mr. Speaker, a poll in today's *Calgary Herald* indicated that 85 per cent of respondents are not confident that the Minister of Municipal Affairs and Housing can deal with landlords who impose excessive rent increases. Albertans want answers and details on government programs, not just vague assurances. To the Minister of Municipal Affairs and Housing: can the minister give eligibility details for the housing crisis programs? For example, do people have to sell their cars? Do they have to drain all their savings? Do they have to be destitute?

Ms Evans: Mr. Speaker, once again, that is entirely within my purview. A man came to us. He felt that he might have to sell his truck in order to pay for his rent. We can bridge that program. We can make sure that he keeps his truck, which he needs for the job. We also provided him support so he wouldn't be evicted.

Mr. Speaker, I have several cases of things that we deal with on a day-to-day basis, and I would be very pleased to table them.

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

Dr. B. Miller: Mr. Speaker, thank you. The worth of a society can be judged by the way it treats its most vulnerable people. This is advice that Alberta's Conservative government needs to take to heart. Cora Davis and William Crowley are two constituents of mine seated in the public gallery today. Both rely on meagre AISH payments to make ends meet. Recently Cora and William each received a \$300 rent increase. Both Cora and William believe that their landlord is gouging them because there's no way someone on AISH can afford an extra \$3,600 a year. To the minister of municipal affairs: since you have adopted as your strategy meeting with gouging landlords, will you meet with Cora and William today and also meet with their landlord?

Mr. Danyluk: Mr. Speaker, I'd like to defer to the minister of seniors.

Mr. Melchin: Mr. Speaker, this government has acted quite progressively over the past years about increasing the monthly rate, acknowledging very much the part that the stakeholders have worked for some time about: how do you help those on AISH, the assured income for the severely handicapped? It's in response to

that that we have seen over the last three years substantial increases even to those payments, about \$200 a month. With respect to other benefits they might receive, they also qualify, in response, to all the other supports and assistance that are available through all of our departments.

Dr. B. Miller: Bernadette Thomas is also an AISH recipient on a fixed income of \$1,000 a month. She just received notice that her apartment building is being converted to condos, and she has to begin to search for a new apartment. After completing a difficult application process with Capital Region Housing, she has discovered that no landlords will accept her because they feel she is too high a risk. One landlord flat out told her that he doesn't believe this government will increase her benefit levels to keep up with rent increases. So to the Minister of Seniors and Community Supports: will you go on public record today and assure AISH recipients and landlords that AISH benefits will keep up with the increasing rents?

Ms Evans: Mr. Speaker, one beautiful thing about our government is that we don't put labels on people and differentiate on the basis of what they've got in terms of a medical condition. If they are low income, if they face eviction, if they are pressured because of various things, including a medical condition – I have a medical condition here that I could cite: severe pain, lower back problems, carpal tunnel syndrome in both wrists, arthritis in his right shoulder, arterial blood clot in his left knee, and migraine headaches – we find these people placements. We look after them, whether they're on AISH, whether they are people like myself who might be down on their luck. We look after everybody.

1:40

The Speaker: The hon. member.

Dr. B. Miller: Thank you, Mr. Speaker. Unfortunately, Bernadette's problems do not end here. Ms Thomas also suffers from fibromyalgia, which is a painful and debilitating disease. The intensity of Bernadette's symptoms are affected by her environment. For example, Bernadette must carefully choose an apartment with the right conditions. Bernadette is just one example of thousands of people in our province who have special needs. It's not only affordable housing; it's appropriate housing that is their concern. To the Minister of Seniors and Community Supports: can he assure people like Bernadette – and Bernadette is up here in the public gallery – that she can find appropriate housing given her needs? Who is helping her?

Mr. Melchin: Mr. Speaker, those with severe handicaps: we do a lot to continue to work with them individually. If they wish, there's an AISH phone hotline where they can apply for AISH. We do work with individuals. Everyone has a unique circumstance. It's in that way that we will continue to treat them.

The Speaker: The leader of the third party.

Rental Starts

Mr. Mason: Thank you very much, Mr. Speaker. Well, the government certainly appears to have circled the wagons today. Nevertheless, I have with me today a copy of the Boardwalk Rental Communities 2006 annual report, appropriately entitled Opportunity Knocks. It indicates in this particular report that "rental starts have fallen, particularly in Edmonton, which will contribute to a further tightening of the market through 2007 as demand exceeds supply." In their quarterly statement they say that the revenue is up about 11

per cent in Edmonton, 17 per cent in Calgary, and 16.3 in the rest of Alberta. To the Premier: what justifies the rent increases that are producing this increase in revenue for this megalandlord?

Mr. Snelgrove: This is a very, very typical approach to dream up what is in the intent – the simple fact is that Boardwalk is a very responsible landlord. Their policy is to increase the rent a maximum of \$75 twice a year. They also have an opportunity to assist the tenants who are facing challenges. It is really unfortunate that the leader of the third party wants to stand here and malign a company which in many, many cases is working very hard to maintain a good relationship with their tenants. So to bring in the allegations that they're unscrupulous landlords – and there are, but they're not Boardwalk.

The Speaker: We're dealing with questions of government policy here, not with policies of individual companies. So let's try and put this in the context in which question period is meant to be.

The hon. leader.

Mr. Mason: Thank you very much, Mr. Speaker. Well, listening to the President of the Treasury Board, it's clearly government policy to defend landlords and not tenants. It's pretty clear to me from reading the annual report that they expect rents to continue to rise. In fact, they state clearly here that they won't build any more units until rents for a two-bedroom apartment reach \$1,600 a month. I want to ask the Premier: is it government policy to allow that to happen?

Mr. Stelmach: Mr. Speaker, of 210,000 – 210,000 – housing starts in Canada more than 51,000, close to 52,000 were here in the province of Alberta, more than 25 per cent in a province of only 3.3 million people. So obviously the policy is working.

Mr. Mason: Mr. Speaker, the Premier would like us to believe that the increase that's taking place in housing is coming here in Alberta, but it's not. Again from the report it says: "Rental starts have fallen" in Alberta, which does not have rent guidelines, "particularly in Edmonton, which will contribute to a further tightening of the market through 2007 as demand exceeds supply."

So rental starts have fallen, Mr. Premier, unlike Ontario, where they're rising dramatically, and it has rent guidelines. When will you be honest with the people of Alberta and tell them the truth; that rent guidelines do not interfere with the market; they just protect tenants?

Mr. Stelmach: Actually, the leader of the third party is not very aware of the actual policy in Ontario, and we can debate that at a different time. [interjections] Oh, because you're wrong, and before you get your information, don't let me embarrass you in the House with wrong information.

However, Mr. Speaker, one thing we should remember is that as people move out from rental units into housing, you know, houses that they purchase on their own, it frees up more rental units in this province. So it's finding the balance. It's not only building low-income rental units in the province of Alberta; it's individual housing and looking also for housing for seniors and those that require that little additional care from the government that's very compassionate and caring about Albertans.

The Speaker: The hon. Member for West-Yellowhead, followed by the hon. Member for Edmonton-Mill Woods.

Forest Sustainability

Mr. Strang: Thank you very much, Mr. Speaker. Last week at an annual general meeting a major paper product company denounced the forest practices in Alberta. My first question is to the Minister of Sustainable Resource Development. Do you agree with the charges that the Alberta boreal forests face destruction from logging?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. Absolutely not. I do not agree with that opinion at all. In fact, rather than being destroyed, Alberta's forests are being renewed and strengthened by harvesting. I want this House to know and all Albertans to know that for every tree that's cut in this province, four new ones are planted every year, and it's the replanted forests, the new forests, that bring the age balance that protects us against the real threats to our forest, which are pine beetle infestation and forest fire.

The Speaker: The hon. member.

Mr. Strang: Thank you very much, Mr. Speaker. My first supplementary question is to the same minister. What is your response to the protesters' calls for sustainable forests in Alberta for the long-term benefit of communities, industry, and forest product customers?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. In fact, I certainly agree with that statement that sustainable forest management is the best thing not just for the companies but for communities and the forest, and that's why in this province we require sustainable practice by law. As I said before, for every tree that's cut, four new ones are planted. Forestry companies are required to plan over a hundred-year period. If that's not sustainability, I don't know what is.

The Speaker: The hon. member.

Mr. Strang: Thank you very much, Mr. Speaker. My second supplementary question is to the same minister. How do you respond to the criticism that the Alberta government must set aside more protected areas in the forest for the benefit of wild species and their habitat?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. Protected areas are an important part of conserving our wildlife, and that's why Alberta is a leader in Canada in doing this. Thanks to Special Places 2000 12 per cent of this province is protected in various ways. But simply adding more protected areas is not the solution. The solution is a balanced land use. Albertans want balance between recreation, economic development, and environmental goods. That's why we have a land-use framework that I announced last week.

Thank you.

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

Rent Supplement Programs (continued)

Mrs. Mather: Thank you, Mr. Speaker. Dramatic increases in the

cost of housing mean that parents must work harder or children must learn to go without. While Alberta's housing crisis affects everyone, some people are more vulnerable than others. Lone-parent families may find themselves in a vicious cycle because a parent needs to work extra shifts in order to afford rising housing costs but cannot afford the child care that's available if they can even find it. To the Premier: what steps is your government taking to meet this increased demand from shift workers and lone parents who need to work longer hours to pay their rent?

Ms Evans: I could cite another Edmonton scenario. A mother of three left an abusive situation in Saskatchewan. She stayed the maximum 21 days in the shelter but still had no housing. She was provided hotel accommodation through income support for a couple of weeks until she found housing. One she found was over the core shelter rate of \$524 by \$446, so she got a damage deposit of \$524, and while she was able to pay the additional damage deposit, we have the Canada child tax benefit, who also provided her funding for the additional cost for the rent. This is another example of how we would face that situation.

1:50

The Speaker: The hon. member.

Mrs. Mather: Thank you, Mr. Speaker. This housing crisis has already pushed many families to the breaking point. A quick phone call to the Capital Region Housing Corporation confirms that the wait-list for social housing in Edmonton is already over 24 months and contains more than 2,500 individuals and families. When we asked what families should do while they are waiting, we learned that most have no option but to tough it out. To the Premier: how can you ensure that children in these families will not be forced to go without proper nutrition, school supplies, or adequate care while their families tough it out for 24 months or more?

Ms Evans: Mr. Speaker, I do care. I think this caucus cares. I think that we have illustrated that not only by the supports we've provided families for children with disabilities. There is no place in Canada that provides children as many supports as we do in this province. Our supplementary benefits for children lead the country. The family that has problems with housing, if they have problems providing for their children, their dental work, their eye exams, school books, anything, they simply have to come to one of our 59 centres, and we will look after them on an individual basis. We'll assess their needs, and we'll follow up, linking them in with the programs that best serve them.

The Speaker: The hon. member.

Mrs. Mather: Thank you, Mr. Speaker. My constituent Tracey Culley is seated in the gallery today. She suffers from MS and is confined to a wheelchair. She and her husband moved to Alberta about one year ago. Although her husband quickly found a great job, they are still unable to find anywhere to live. The fact that Tracey requires affordable and accessible housing makes finding a home even more difficult. To the Minister of Municipal Affairs and Housing. The woefully inadequate provisions of the residential mobility access program mean that Tracey is on her own to find housing that she can afford and then make it accessible. Is there anything you can tell her today that will alleviate her feelings of hopelessness and despair?

Mr. Danyluk: Well, Mr. Speaker, I want to say that today in room

512 we have my staff there and available for anybody that is here in case they have some questions in regard to qualifying for support. I would also like to say that we will have somebody on the fourth floor outside of the entrance to the gallery in case those individuals are not exactly sure where 512 is, to assist them. This is a concern for all of us in this House, and we need to work together to solve it.

The Speaker: The hon. Member for Strathcona, followed by the hon. Member for Lethbridge-East.

Employment for Persons with Disabilities

Mr. Lougheed: Thank you, Mr. Speaker. My first question is to the Minister of Employment, Immigration and Industry. Recent public service announcements have highlighted Albertans' untapped resource and attracted considerable positive interest from Albertans with disabilities and employers. Can the minister tell us how her ministry is going to use this heightened awareness to help more Albertans living with disabilities move into the labour market and to get jobs?

Ms Evans: Mr. Speaker, we are very pleased with many employers that are stepping up to the plate and providing opportunities for people with disabilities to receive jobs. I have heard of people working in retail industries that previously would never have had that opportunity. We have industry liaison specialists in the Ministry of Employment, Immigration and Industry who work directly with employers and try and link people who need jobs with willing employers to help them not only in receiving an opportunity to work but in adapting work conditions in a way that's suitable for them and work to retain those people in those positions for as long as possible. We have contracts throughout the province to enable people with disabilities to work.

Mr. Lougheed: Mr. Speaker, my second question, also to the same minister. There are many barriers to employment that face persons with disabilities. These include things like employer attitudes and perceptions, workplace accommodation, and also transportation. What is the minister doing to reduce those barriers to employment for persons with disabilities?

Ms Evans: Mr. Speaker, we've spent nine and a half million dollars. We provide that this year for disability-related employment supports to help Albertans overcome barriers. We pay for things like ramps to access the work site, computers to help people communicate. We adjust their keyboards in a way that's appropriate. We provide tutors and sign language interpreters. There are many programs that we provide to assist employers in making sure that the workplace is safe and a comfortable place for people with disabilities.

Mr. Lougheed: Mr. Speaker, my last question. To the minister responsible for the personnel administration office: what is the government of Alberta doing to show employer leadership for employment for persons with disabilities?

The Speaker: The hon. minister.

Mr. Snelgrove: Thank you, Mr. Speaker. I need to say that precious few people in this Assembly have done more than the hon. Member for Strathcona to promote awareness for people with disabilities in Alberta, so it truly is my honour to respond to that question.

The provincial government generally hires on merit. We use a competitive process to select the most suitable candidate for

positions that are available based on education and skills. We provide an equal and fair opportunity to everyone who has applied for a job with the Alberta public service, but to ensure that the disabled have the opportunity, we've come up with several policy things. The job website has links to information resources that are intended for people with disabilities who are pursuing employment. We also text size our job website ads, and they can be enlarged.

The Speaker: I think we have to move on now.

The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Speaker. I believe that if people will read *Hansard*, I, too, have stood up many, many times and worked for people with developmental disabilities.

Temporary Rent Regulation

Ms Pastoor: Gordon Koppang has come to Edmonton today to show his support for a temporary cap on rent increases. Gordon is on AISH and was spending 40 per cent of his income on accommodations. After being on a wait-list for three years, he has finally found an affordable place to live. To the minister of housing, Gordon has come all this way to advocate for himself and all other Albertans on fixed incomes who are truly struggling to pay their rent. Why is the government forcing people like Gordon to advocate for something as simple as an affordable and appropriate place to live in this province that is so rich?

Mr. Danyluk: Well, Mr. Speaker, I want to say that this Premier and this government very much are concerned about individuals that have trying situations, especially in housing. The member made mention that this individual has travelled all this way. I again would like to say that we very much would invite him to come up to room 512 to talk to our staff. It's two floors above where we're at right now. Our staff will meet the individuals and take them to 512.

The Speaker: The hon. member.

Ms Pastoor: Thank you. The development of affordable rental units is not keeping up with the demand. There are 400 people on a waiting list for affordable housing in Lethbridge alone. What suggestions does the minister have for these Albertans who need a home now? They can't wait for two years for the new units.

Mr. Danyluk: Well, Mr. Speaker, first of all, there was \$195 million allocated to municipalities for those municipalities to look at the needs of their municipality, the needs that they feel are the most critical. They can use that money in rent supplements. They can use it in secondary suites. They can use it in building new units. But also, I want to share that our government is providing \$33 million for a rent supplement program at this time and an addition of \$14.3 million, which should add, you know, approximately 2,000 units.

The Speaker: The hon. member.

Ms Pastoor: Thank you, Mr. Speaker. You know, millions and millions and millions of dollars. What I really want to know are the numbers of units and the numbers of people that have been helped. Why did the government choose to ignore many recommendations made to the Affordable Housing Task Force when they visited Lethbridge, recommendations that would help prevent a housing crisis in southern Alberta?

2:00

Mr. Danyluk: Well, Mr. Speaker, that is a good question because the rental supplement helps between, I believe, 4,500 and 5,000 people. If the hon. member had heard what I just said, the additional funding – and I know the numbers don't mean anything, but they do provide support for additional rent supplements. In this case I did say in the last answer that we predict it'll help approximately 2,000 additional units.

The Speaker: The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-Centre.

Land Agents

Rev. Abbott: Thank you, Mr. Speaker. My first question is to the Minister of Employment, Immigration and Industry. A recent court case in Vegreville highlighted some concerns about the Land Agents Licensing Act, particularly regarding people who charge a fee for negotiating land access on behalf of landowners. Given that a judge ruled that this law should be changed, what is the government doing to address the courts' and rural Alberta's concerns over this legislation?

The Speaker: The hon. minister.

Ms Evans: Thank you, Mr. Speaker. Let me review some of the recent events that have made this an issue. The Land Agents Licensing Act requires a person to hold a land agent's licence when negotiating on behalf of a company or when charging a fee for advising a landowner in negotiation. When a person does not charge a fee for giving advice, then in fact a land agent licence is not needed. I know that several Albertans have expressed a concern about issues with this certain part of legislation, and I know that the hon. member is referencing a recent court case that was appealed. While this matter is before the courts, I will not discuss the particulars of that case but just simply say that we await the appeal decision.

The Speaker: The hon. member.

Rev. Abbott: Well, thank you, Mr. Speaker. I only have one supplemental, so I want to use it to ask the minister a clear and pointed question. Will you be amending legislation to allow landowners to choose who they want to represent them?

Ms Evans: Mr. Speaker, as I've said before, nothing will be done with this legislation until the appeal has been completed.

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

Temporary Rent Regulation (continued)

Ms Blakeman: Thank you, Mr. Speaker. The role of a government is to facilitate the conditions that create opportunities for citizens and communities to prosper. The opportunities for low-income Albertans, people on AISH, and seniors to have a safe, affordable rental home are being stifled by this government's failure to protect renters from being gouged. My questions are to the minister of housing. A senior living in Edmonton-Centre will no longer be able to retire as planned because of a \$265 a month rent increase that she's facing, and Mary Ladouceur from Edmonton-Glenora, who is here today, faces a similar situation. Mr. Minister, does the price of prosperity

for Alberta mean seniors having to work well past the age of retirement so that they can afford a place to live?

Ms Evans: Mr. Speaker, once again, what I'm hearing is a hardship case where somebody is really concerned, and I think we all share the concern of somebody who may be pressured and may not be able to be comfortable. Let me talk about a mother with three children, staying at the Sheriff King Home in Calgary as a result of leaving an abusive relationship. She found rental accommodation, and her rent was \$1,290 a month. She was obviously not able to accommodate that, but with help from our department of a thousand dollars as a start-up allowance and an additional amount of \$300, we were able to help her. I have consulted with the directors through our staff. We have many examples of this kind of case where we can and will help.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Again to the minister of housing. My constituent Jennifer, whose rent increased by \$245 a month, or 44 per cent, in the last year, now has to work two jobs to pay for a modest one-bedroom apartment. Does the minister discount her situation as the price of prosperity?

Ms Evans: Mr. Speaker, once again, we look after people who have issues with affordability problems that relate to their lives, like the single, 52-year-old gentleman with a deteriorating eye condition that had rendered him legally blind. As a journeyman carpenter he had to take time off work to undergo lens replacement and eye surgery. His postoperative prognosis was very good, and he fully expected to return to work. Obviously, the cases they compare and want to listen to are their own. They're not interested in these other people. I can't believe it. I'm interested in all Albertans.

The Speaker: The hon. member.

Ms Blakeman: Thank you very much. Again to the minister of housing. Many of my constituents who are on AISH are being forced to spend most of their income on rent, leaving little left for food, clothing, transportation, and costs associated with having a disability. Charmaine, who is here today, is facing a \$300 rent increase. Will the minister of housing finally admit that a temporary cap on rent increases is essential to ensure that Alberta's most vulnerable people can find a place to live?

Ms Evans: Mr. Speaker, a request for giving some affordable accommodation should come to me, not a request about how to deal with capping or anything else. When people are in need, when people are in crisis, this government and the previous ministry of human resources and employment have a track record of support of almost \$100 million to provide housing supports for over 55,000 Albertans, and above that, we provide supports for 20,000 learners. So we provide supports for people in crisis, and we will continue to do so.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Olds-Didsbury-Three Hills.

Homeless and Eviction Prevention Fund

Mr. Martin: Thank you, Mr. Speaker. This government has taken a couple of good ideas from the Affordable Housing Task Force, including increasing the rent supplement program and establishing

a homeless and evictions fund, but as usual their rigid ideology gets in the way of doing the complete job. It's clear that without rent stability or guidelines that money is going to end up in the pockets of the landlords. My question is to the Minister of Municipal Affairs and Housing. Doesn't this minister see that these taxpayer-paid programs will end up in the pockets of the landlords rather than helping the people they're supposed to help?

Mr. Snelgrove: Mr. Speaker, this afternoon and tonight we're going to debate just that: a stability program, Bill 34, to stabilize the rents here in Alberta. I look forward to the debate.

Mr. Martin: Well, Mr. Speaker, I'm asking about a debate here in this House right now, talking about where that money is going to end up. It's taxpayers' money. My question, again, is to the minister, whoever the minister is over there. They seem to be having trouble deciding who's up and who's down. Would one of them answer the question: what is to say that without guidelines that money will not end up in the pockets of the landlords?

Mr. Snelgrove: Mr. Speaker, it shouldn't come as a glaring surprise to them that all rent ends up in the hands of landlords. That's how the deal works.

Mr. Martin: Well, Mr. Speaker, that's interesting. The minister has just said, and I quote. I asked the question – the taxpayer money for subsidies, rent evictions, and the rest of it – and the minister said that it's going to end up in the pockets of the landlords. Thank you for that answer.

My question simply is this then. Will he now admit and say that again, exactly the same thing, that this money is going to end up in the pockets of landlords? Say it again.

Mr. Snelgrove: We use many programs to support individuals that are in different circumstances in Alberta. Some of them are direct subsidies to landlords. Some of them are programs that support the individual. Some of them have different things, people with developmental disabilities and AISH people. There are a multitude of programs that we use very effectively to try and help that person achieve a life they can be proud of and live with dignity and respect. That's what this government is all about.

The Speaker: In less than 10 minutes from now I'm going to say, "Orders of the Day," and we're going to start a debate on Bill 34, which will last until at least 6 o'clock this evening. I look forward to a full, enthusiastic House of participants.

The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Calgary-Varsity.

2:10 Liquid Strychnine

Mr. Marz: Thank you, Mr. Speaker. Farmers are very concerned with the federal government restrictions on liquid strychnine to control Richardson's ground squirrels, which cause \$200 million in damage to crops each year, not to mention the many injuries also caused to livestock. My question is to the hon. Minister of Agriculture and Food. How much longer will this product be available to farmers in Alberta?

The Speaker: The hon. minister.

Mr. Groeneveld: Thank you, Mr. Speaker. The federal government Pest Management Regulatory Agency did a three-year study on the

effects of strichnine on the environment. As a result of this study the federal government decided to deregister strichnine for pest control after 2008. The government of Alberta did however argue on behalf of the Alberta farmers that strichnine be maintained for pest control.

Mr. Marz: Mr. Speaker, to the same minister: given that the premix version is only available in that premix form and it doesn't have a very long shelf life, what other products are going to be available in Alberta in the near future to control this pest?

The Speaker: The hon. minister.

Mr. Groeneveld: Well, thank you, Mr. Speaker. The federal agency has registered a product known as Phostoxin, and we're working with the government of Saskatchewan to test this product and check out its effectiveness and its safety for the environment and for the user. Information on biological control measures can be found on Alberta Agriculture's website.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. To the hon. minister again. Many would argue that these alternate products aren't nearly as effective as liquid strichnine. Is there anything Alberta can do within our jurisdiction here to ensure that strichnine will be available in the future in this province?

Mr. Groeneveld: Mr. Speaker, the simple answer is: no, we can't. But we certainly can put Alberta's concerns forward. This is, of course, a federally regulated product. We will continue to work with other governments and with the industry to look for a safe and effective replacement for control of the ground squirrel population because this is, indeed, a burrowing problem.

The Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Member for Wetaskiwin-Camrose.

Temporary Rent Regulation *(continued)*

Mr. Chase: Thank you, Mr. Speaker. On Monday in response to the minister of municipal affairs' utterly false claim that I wasn't concerned about my constituents, I predicted that the minister's office would become very full given this government's despicable treatment of vulnerable Alberta renters. Yesterday following the question period his room couldn't accommodate the number of concerned individuals. To the minister of municipal affairs: did you get their message?

Mr. Danyluk: Mr. Speaker, there were 25 individuals that were in this House that were encouraged by the members of the opposition to come, and I thank the opposition. I thank the opposition for having those individuals come to our office. We did find better accommodation. There were individuals that were in wheelchairs. I mean, if the hon. member wanted them to try and fit into the small offices that we have, I'm sorry; I don't understand that. We moved on to a bigger office. We tried to accommodate their needs and at the same time addressed the ones that had particular concerns.

Mr. Chase: The question was: did you get their message? Obviously not. You didn't get mine.

Fred Bisschop is a constituent of mine. His rent is increasing by

50 per cent on June 1. He's on AISH and can't afford it. He can't make it up here to meet the minister, and as we heard yesterday, the helpline of the Minister of Employment, Immigration and Industry is completely inadequate. So I'm raising his case for him. Without rent controls he'll be either forced out of his home or the government will have to pay a direct subsidy, hundreds of dollars a month, to his landlord because this government won't do the sensible thing and temporarily control rent increases. Why does Mr. Bishop have to face this dilemma?

Ms Evans: Mr. Speaker, may I respond to the issue of the telephone? Yesterday it wasn't working properly. It was hard to find. But the phone line, number one, as of noon today is indicating to people how to get through on the homeless and eviction policy. So may I just say that they can get through, they can be heard, and we would be anxious to speak to them.

The Speaker: The hon. member.

Mr. Chase: Thank you. I hope their phones haven't been disconnected as they wait to be moved out.

There are many more vulnerable constituents here, Mr. Speaker. They all want action on rent control from this government. Today I heard the story of a family forced to leave Calgary and move to Saskatchewan because their rent increase was so great. The government claims that everyone wants to come to Alberta to work. Well, it's too bad they can't stay. To the minister of municipal affairs: what does he have to say to those many residents of this province who, like that family, can't afford to pay the price of prosperity?

Mr. Danyluk: Mr. Speaker, we need to have a balance when we look at housing. Rent controls do not work. For those individuals who are renting now, if we end up in a rent control situation, there will be units that will be turned over to condos. There will be no building that will take place, and it'll be a worse situation.

Mr. Speaker, I need to add a couple of points. The opposition is asking questions and talking about four ministers. Yes, we do have four ministers. There was a housing task force that made recommendations, that directed recommendations . . .

The Speaker: I'm afraid we're going to have to move on to the hon. Member for Wetaskiwin-Camrose.

Endangered Species

Mr. Johnson: Thank you, Mr. Speaker. Media reports continue to raise concerns about the potential impacts of climate change. My constituency is like many others across Alberta where in recent years we saw the effects of a severe drought. Wetlands are just one example of important habitats for waterfowl and so many living things. Indeed, Alberta is renowned for its prairie wetlands across the continent, and they are an important part of our rural economy for hunting, fishing, and tourism. My question is to the Minister of Sustainable Resource Development. What system does SRD have to identify how climate change may affect plant and animal species in Alberta?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker, and I'd like to thank the hon. Member for Wetaskiwin-Camrose for that question. Wetlands and waterfowl are dear to my heart. In fact, I had some for supper the

other night. I also flew over central Alberta the other day, and I've never seen our potholes more full of water. I think it's going to be a great year for our waterfowl.

Thank you.

The Speaker: The hon. member.

Mr. Johnson: Thank you, Mr. Speaker. I, too, was a hunter at one time.

My first supplemental question is to the same minister. What process does SRD have in place to identify species that may become at risk of extinction?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. Sustainable Resource Development has a number of programs that monitor this. Every five years we publish a report on the general status of Alberta wild species. Our latest one was published in January of this year, 2007, and it's available on the SRD website now. We also have an endangered species committee, chaired by the hon. Member for Athabasca-Redwater, who advises me on this.

Also, I'm happy to report that this is the first year that we're launching our biodiversity monitoring program. It's been in the works for the last couple of years: \$4.2 million. It'll be the first year. It'll give us the baseline data. This program is the best in Canada, possibly the best in the world . . .

The Speaker: I think I'm going to have to recognize the hon. member.

Mr. Johnson: My final question: what programs does SRD have in place to reduce the risk of extinction of species in Alberta?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. My department's biologists work with the many stakeholders to monitor these situations. Again, we work closely with the hon. member's Endangered Species Conservation Committee. We also have recovery programs that are advised by recovery teams. We take this issue very seriously, as indicated by our biodiversity monitoring program, which, as I said, is not only the best in Canada, the best in North America but almost certainly the best in . . .

Some Hon. Members: The universe.

Dr. Morton: Thank you.

Speaker's Ruling

Tabling Cited Documents

The Speaker: Hon. members, before we move on, the hon. Minister of Employment, Immigration and Industry during the exchange this afternoon indicated that she'd be prepared to table something. I have to note that if this is a briefing note to the minister, something from her own department, there's no onus for her to table such things. If it's an official document, that's different.

2:20

Ms Evans: Mr. Speaker, they are various pages with anecdotal references, not identified by the name of the individual but from my department, that cite the circumstances in various parts of Alberta relative to people who have found themselves at risk.

The Speaker: All I'm saying is that there's no need to table such. If the minister chooses to, then the minister needs five copies. Is she prepared to do it now? I'll provide that opportunity.

Ms Evans: Could I give the copies to be copied? And then we will so do.

The Speaker: Why don't we bring it back tomorrow, and we'll table it that way. Then we'll just deal with it that way.

Ms Evans: Perfect. Thank you.

head:

Orders of the Day

head:

Government Bills and Orders Second Reading

Bill 34

Tenancies Statutes Amendment Act, 2007

[Adjourned debate May 3: Mr. Snelgrove]

The Speaker: The hon. President of the Treasury Board and Minister of Service Alberta.

Mr. Snelgrove: Thank you, Mr. Speaker. Today we get to have a discussion about an opportunity to put rent stability into the marketplace and ensure that renters and people who are in a condo that may be subject to conversion have appropriate opportunity to look for lodging elsewhere should it make their lodging either unaffordable or certainly out of their price.

One of the petitions that was tabled today identified the fact that Albertans are looking for stability in the rental market. By limiting to once a year rent increases, it will give an opportunity for people to do that. Mr. Speaker, while the vast majority of landlords are caring and have developed a very good relationship with their tenants, of course there are some that have taken the opportunity of an overheated economy to put rents past where they should be.

There is no simple solution. Certainly, rent controls in the short term might feel good, but they cap an industry that is not responsible to be the one that looks out for people that need help. The people that need help will access other avenues of funding through the government. At this point, Mr. Speaker, we want to have a good, healthy discussion about the requirement of a year to notify for major renovations, condo conversions, rent increases, and we'll help stabilize the rental market. I look forward to the debate.

The Speaker: The hon. leader of the third party.

Mr. Taylor: Excuse me?

The Speaker: He was up before you were, sir.

Mr. Mason: I would like to take this opportunity to respond to and debate Bill 34, the Tenancies Statutes Amendment Act, 2007. Mr. Speaker, there are elements of the act that we would have to say are positive. The difficulty, though, is that we have got a bill before us that does not deal with the issues that were laid before the task force on affordable housing. That particular report was in fact put together on the basis that hundreds of Albertans from all over the province came forward and talked to the task force about the issues that they faced in terms of their housing.

Mr. Speaker, rent controls as a broad category were mentioned more than almost any other single issue when this task force heard from Albertans. Now, you have to ask the question: what's the point

of creating a task force and sending it out to listen to Albertans about what they need from the government if you're not going to listen to it? Then what happened is that when the task force report was prepared, it was not distributed to members of the task force. It was not made public. It went behind closed doors in an archaic Tory decision-making process that hasn't changed.

Mr. Speaker, I want to just touch on the democratic reform approach of this government because they've made a great deal out of it. They talk an awful lot about how they're going to change the way things are done, and they have changed some things. They have changed some things in terms of how this House does business, and not all of those things are bad. In fact, I think there are some very good reforms that have come out of that, but they don't get the basic question of democracy. They've ruled too long to fully understand how a government that wants to actually be open and accountable and actually be open and democratic operates.

Now, it seems to me, Mr. Speaker, that the first thing that should have happened was that the report should have been released, and there should have been a public discussion and a public debate about the report, and the government should have listened to that debate before it made up its mind. Instead, they chose to have the decision-making behind closed doors and to make their decisions before the public even knew what the recommendations from the report were. As a result, I think they made the wrong decision. I think they made the decision based on ideology and the interests of landlords rather than the people that the task force listened to, so they find themselves in quite a mess today. Well, I can tell you that when it comes to committee stage of this bill, we will be providing some amendments that will help the government out of its mess, and all they have to do is accept the amendment to bring in rent guidelines.

Mr. Speaker, the committee recommended to the government a position that landlords should be able to increase rents by the consumer price index plus 2 per cent. That would be, you know, around 7 per cent in perhaps a year, and of course if there were exceptional expenses, the landlords could actually get approval to raise the rents to cover those exceptional expenses. That's a reasonable approach while new housing is under construction.

But the government talks about the lack of construction, or they talk about how rent guidelines would impact rental construction when, in fact, rental construction in Alberta is going down. There are no rent guidelines now, and rents are soaring, yet we are seeing less rental housing being built than in Ontario or other places. If the government is going to commit some funds to building affordable housing, that's not a bad thing, Mr. Speaker. I don't think it's enough, but it's not a bad thing that they do that. But the government has admitted – the government has admitted – that it's going to take at least two years and in many cases three or four years before that housing starts to come online, and that will restore some equilibrium in the market. Until that time, they have left the renters of this province hanging out to dry. So they've created a real problem for themselves, but more particularly they've created a great problem for the very large numbers of Albertans who rent.

I want to point out, Mr. Speaker, that not all Albertans who rent necessarily fall in the vulnerable category. There are a great many families, seniors, young people that rent, and even though they have full-time jobs and in some cases very good jobs, they're not in a position to afford the kind of rental increases that have been going on.

So we will be presenting, Mr. Speaker, an amendment to this bill to introduce the concept of rent guidelines, and I would urge the government to give it some serious consideration because I think they've made a very serious mistake both for people who rent in this province and, as well, for their own political futures.

Mr. Speaker, just to move on a little bit, I think that we need to deal as well with the whole question of condo conversions, which the bill does. This is a serious problem. In the last year Calgary lost 946 rental units to condo conversions, and Edmonton lost 533.

The new rules limiting landlords to one rent increase per year have not been clearly explained or publicized, and in lots of cases constituents are getting unlawful increases, but they don't know it. Mr. Speaker, I want to just deal with the whole question of the one rent increase per year, which the government has touted as being something that would protect tenants. There are a few cases where that's actually been the case, where someone has been fortunate enough to have received in the last few months a very small rental increase and then got hit with the big one. Well, the big one is not eliminated, but it is postponed. It is deferred until a year has gone by, and when the year has gone by, they can expect that that rent increase is going to be waiting for them. That's something that the government has not dealt with. So it's an ineffective means of dealing with rent increases. It doesn't deal with it.

2:30

The government says that rent guidelines don't work, but Ontario, Mr. Speaker, has had rent increase guidelines for about 15 years. Investment in new apartments has increased by 88 per cent since 2000. That's 2,045 new rental starts in 2000 and 3,848 new rental starts in 2006. Alberta with no rent increase guidelines has seen a drop in new rental starts by 52 per cent. So the argument that rent guidelines don't work doesn't work.

Mr. Speaker, we have made it clear that rent guidelines should be a temporary measure until market stability can be restored. We don't see them as a permanent solution in any way but a temporary measure to protect tenants until equilibrium in the market has been reached and re-established. We also don't want them to apply to new units, and if they don't apply to new units, then it really is a curious question as to how they can prevent the construction of new units because they don't apply to them. That's an approach, I think, that is reasonable. It's not a doctrinaire approach. It's practical. It deals with the problems that people are facing.

Mr. Speaker, it's important that the government realizes that this is a major crisis not just affecting vulnerable Albertans but thousands upon thousands of people who are middle class, families, seniors, students, all kinds of Albertans that are all being impacted by this, and they are watching and waiting to see what the government is going to do. If this bill passes in its current form, those people are going to be left hanging, and they're going to be waiting for answers for a very long time. So this is perhaps an opportunity for the government to get itself out of the hole that it's dug for itself and do something that makes a lot more sense. There is gouging that's going on, and I personally find it hard to accept the Premier's answer that he's going to send the Minister of Municipal Affairs and Housing down to talk to these individual landlords and that's somehow going to solve the problem.

In fact, the whole approach the government took today in question period on this issue was to talk about a handful of individual cases. They're not dealing with it as a policy issue. They're not dealing with it as an issue that affects thousands upon thousands of Albertans, but they can't help them all individually.

I want to deal with the whole question of the emergency fund that the Minister of Employment, Immigration and Industry keeps talking about. Mr. Speaker, there's a particular fund to help very serious cases. The question that arises in my mind is why we need to use taxpayers' money to help individuals who get in that position when, in fact, they get in that position because of bad government policy. The government could introduce a policy that protects tenants, that

protects renters in this province, that wouldn't cost the taxpayers a dime.

I hear the President of the Treasury Board calling it stealing from the landlords, simply, and he has a unique perspective on this problem, Mr. Speaker. It is, indeed, the perspective of the landlord and the owner and not the perspective of the people who have to find a place to live that they can afford. We're happy to provide that perspective in this House. I happen to think that that's the perspective of the vast majority of Albertans.

The people of Alberta, the tenants of Alberta need some protection in this situation. The government has worked very hard to eliminate environmental regulations and taxes that corporations might pay in order to bring about the kind of economic growth that we have seen in this province. I happen to think that most of the credit goes to high world oil prices; nevertheless, they have done very little, precious little to plan for the impacts of that growth on the people of this province. They call it the price of prosperity, Mr. Speaker, but it's very clear that the prosperous are not bearing the cost. It is the poor, the middle class, and the working families of this province that are paying the price of prosperity. This government has set it up that way, and they don't want it any other way, quite frankly.

Mr. Speaker, I just want to conclude by saying that this bill as it now stands will not meet the needs of tenants in this province, it will not meet the needs of the hundreds of thousands of Albertans who live in rental accommodations, it will not stem the increase in homelessness that we're seeing in this province, and it doesn't really meet the needs. So as it stands, it's not a bill that we're prepared to support, notwithstanding the fact that it has some positive steps. It needs to go much further because without the rent guideline portion, this bill will not constitute a comprehensive and effective housing strategy for this province. It's too bad that the interests of the landlords and the ideology of right-wing conservatism have trumped common sense and the interests of the majority of the people in this province. I think it's a sad day.

Thank you.

The Speaker: The hon. Member for Calgary-Currie. And I will follow a rotation here for the remainder of the duration of this afternoon. If there's any other member from the government side that wants to participate, then I'll call them. After the Member for Calgary-Currie I'll call on the hon. Minister of International, Intergovernmental and Aboriginal Relations and then the hon. Member for Edmonton-Riverview.

Mr. Taylor: Thank you, Mr. Speaker. It's my pleasure to rise today and join the debate on Bill 34, the Tenancies Statutes Amendment Act, 2007. This, of course, is not a bill that could by itself solve the affordable housing crisis. That should be recognized by all parties, and that wasn't the intention. The intention of this bill was obviously to address a certain part of it. As the shadow minister for Municipal Affairs and Housing for the Alberta Liberals I certainly couldn't object to that because we have said all along that one of the three key things that the province must do in order to solve this imminently solvable affordable housing crisis in Alberta is to change legislation that creates roadblocks for people who have good ideas and otherwise the wherewithal and the ability and the resources to get to work on solving the affordable housing crisis.

In principle this is, I suppose, as good a place to start as any, but you've got to do more than start. When you start, you've got to do it in a comprehensive, well-thought-out approach, and I'm afraid this doesn't even come close to meeting the mark. What this bill does is that it will modify the notice periods and make that amendment retroactive to April 24 of this year and allow for regulation-making

authority on any other matter deemed necessary to carry out the act. So the main amendments are to regulate the frequency of rent increases for tenancies to once a year, provide clarification around the start date for the time referred to for rent increases, and make it an offence not to comply with the condo conversions notice period, which again is a one-year notice. That doesn't go far enough. That doesn't go nearly far enough.

In fact, what we have seen happen since April 24 is that landlords, some of whom are unscrupulous, some of whom are taking advantage of a giant loophole, and others of whom are good landlords – because there are many, many good landlords in the province of Alberta. That shouldn't be in dispute. But they're terribly confused and concerned and worried by the way in which the government has introduced this concept and introduced this legislation, so they're saying: well, gosh, if I only get one rent increase a year, given the way my costs are going up and given the market conditions that exist, I better make it a good one. So tenants are seeing their rents skyrocket.

2:40

You know, we talked in our affordable housing policy – because everybody needs a home – about need to enhance tenant protection, and we said that our plan would limit rent increases to one per year. So it's a Liberal idea that we're talking about here. We also said that we would do two other things in terms of enhancing tenant protection. We said that our plan would establish a vacancy rate trigger that when implemented would place a two-year moratorium on conversions of rental properties to condominiums, and we put an exception in there: except for those developers who agree to replace any rental units that they want to convert to condos, that would be lost due to condo conversions, with new rental properties. In other words, if you've got a 50-unit rental building that, you know, you can make a really good business plan for turning into a condo, build us another 50 units of new rental accommodation and we'll let you do it, despite the moratorium that exists otherwise.

And ploy 3 was this: we would institute a one-time, one-year-long temporary rent regulation that limits rent increases within that period to a maximum of 10 per cent. This would lessen the risk of tenants losing their homes while giving communities and builders time to create additional affordable housing spaces. Mr. Speaker, what happens when you institute a package of tenant protection is that tenants are protected. What happens when you only introduce one piece of that package is that you can't put the rest of the puzzle together, and tenants are hurt. So this bill, in fact, will do and already has done the precise opposite of what it's allegedly intended to do, which is to offer some protection to tenants.

As for the condo conversions, you know, a one-year notice period is certainly twice as good as a six-month notice period, which is what we have under legislation currently. But we've been talking in my office to some real estate types who wanted us to know that with a one-year notice period on condo conversions and a clause that says that rents can't go up during that period, here's a loophole that would-be condo converters will exploit.

You buy a building, and as soon as you possibly can after the deal closes, you simply raise those rents because there's no cap on rental increases. You raise those rents as high as you can to something that you know the tenants couldn't possibly afford. Then you just wait until the building is empty. Once it's empty, you apply for titling through the city, because titling for condo units is done through the municipality, not through the province. It slows the conversions, yes, but there is still that loophole that makes it profitable in neighborhoods where prices will continue to rise. I don't think anybody, not even the minister of health, who seems to be in an

incredibly skeptical, cranky mood this afternoon, nobody seems to think that the price of housing in the province of Alberta is going to go down any time soon.

You know, the government, even the minister of health, who continues to chirp away like one of those returning finches from winter – I have one living in a tree just outside my rental unit here in Edmonton. [interjections] Blah, blah, blah. Nobody wants to throw things drastically out of balance, at least I don't think. I haven't talked to the members of the third party – maybe they do – but I don't think anybody in this House wants to throw things wildly out of balance. Several people in government talk about the need for balance. The housing minister talks about the need for balance. We talk about the need for balance. We agree that there is a need for balance. We think it's absolutely key.

Our policy is about balance. It's about balancing the rights and responsibilities of tenants and landlords. It's about providing stability and certainty for renters but also allowing landlords and owners to increase their rents enough to offset increased costs that they may be facing. Our policy is about balance. Our temporary rent regulation measure set at 10 per cent, which many tenants would argue is too high and many landlords would argue is too low, may indeed balance the pain somewhat by causing a little bit of pain for renters and a little bit of pain for landlords over the short term, but it is designed simply to provide protection for renters while they need it, while we're working on creating a supply of affordable housing. I think that on that point the government and even the minister of health and the minister of blah, blah, blah, whoever said that, would agree with me.

An Hon. Member: Who said that?

Mr. Taylor: Well, I said it originally, but that was back in question period. As usual, the members opposite have copied me but only partly.

You know, I think that the members opposite would agree that the ultimate solution is to create a sustainable supply of affordable housing at a bunch of different levels, but I think what we need to do here in this House is acknowledge that it is going to take some time to do that. In the interim, between now and then, it is vital that the renters who have a roof over their heads today, many of whom are in imminent jeopardy of losing that, be allowed to stay in place and not lose their homes until we can create an additional stock, an additional supply, of affordable housing. That's what temporary rent regulations will do.

Temporary rent regulations do not apply to new rental units that are constructed. I mean, you know, when we talk about building affordable rental accommodation, that involves a different set of circumstances, different set of regulations, different set of incentives across a number of different platforms than rent control. That's an issue for other legislation and other initiatives, no question about it. Bill 34 doesn't seek to address that. But while we're working on creating that supply of affordable housing, it is vital that we protect renters who have a place to live now. We don't want the affordable housing crisis to get worse. We don't want more people to become homeless.

We cannot use the argument that if we bring in temporary rent regulations, no construction of rental accommodation will occur. First of all, it won't apply to new construction of new rental units. Second of all, it won't last, under the Liberal plan, long enough to affect construction, to discourage construction. It's a temporary measure. Third, no housing construction of rental accommodation, affordable or market priced, is going on in the province of Alberta today in Edmonton or Calgary, none to speak of, nothing significant.

Back in 1978 when this province had rent control – and granted, the government also at that time offered tax breaks to rental property developers – the CMHC's annual report noted that over 17,000 rental apartment units were started in the province of Alberta that year. Seventeen thousand with rent controls in 1978. Near zero without rental controls 30 years later, you know.

So, I mean, the minister of health continues to sing like a canary, chirp away, asking: what were mortgage rates at the time? I believe he said: what were conditions at the time? Well, of course, conditions were somewhat different because conditions are always different. The problem, though, Mr. Speaker, remains the same. The imperative for this House is to address the problem in an intelligent, sustainable, worthwhile way, which, of course, the President of the Treasury Board doesn't get whatsoever, you know. This bill falls so far short of the mark that without serious amendments there's no possible way that we could support it. No possible way whatsoever.

2:50

You know, in my private member's statement at the beginning of today's sitting I noted that it was nine years ago that there was a report done on the affordable housing problem in Alberta then, after a housing symposium held in Edmonton. Nine years ago. The government at that time could have and – if it had been a different government not so ideologically wedded to its one-trick pony act of getting us, you know, out of debt and doing nothing else, paying off the mortgage while the roof continued to leak – should have done something about it then. It didn't. It could have done something. It could have seen this problem coming five years ago. It didn't. It could have seen this problem coming three years ago. It didn't. Had the government acted sooner, we would not need to be talking about rent control. We would not need to be talking about limiting the number of rent increases. We would not be needing to talk about moratoriums on condo conversion. Because with nudges at the right place at the right time the market, which has served Albertans well most of the time, would have continued to work. But they didn't do that.

Now, I could stand here – I think I've got about a minute left of debating time – and bash the government for that. But that's not the point of this exercise. The point of this exercise is to take a very serious crisis that we have on our hands and get the job of solving it right, get on with the job of swinging hammers and digging basements and building basement suites and granny flats and changing legislation so that cities and towns can use inclusionary zoning as a way to require affordable housing and using density bonuses as a way to incent builders to build affordable housing, and get on with the job of fixing it. But in the meantime, Bill 34 does not protect those renters who have a roof over their heads today, and many of them, Mr. Speaker, will lose their homes in the time it will take to create some affordable housing.

I thank you.

The Speaker: Hon. members, Standing Order 29(2)(a) is available, the question and answer segment. Hon. minister, do you wish to address a question to the hon. Member for Calgary-Currie?

Then there being none, we'll call on the hon. Minister of International, Intergovernmental and Aboriginal Relations, and I'll ask the hon. Member for Edmonton-Riverview or Calgary-Varsity to be on standby.

Mr. Boutilier: Thank you very much, Mr. Speaker. I know that everyone in this Assembly is committed to the ultimate value of this. If you can, imagine this: someday, a single mom or a senior citizen

or a middle-aged family with a couple of kids they're raising are renting a place because they don't have, you know, the capability of owning a place but they are renting. But imagine this: when one of those landlords who have been gouging – and, by the way, there are very good landlords, but there are some that truly are gouging. Imagine this: the actual tenant could pick up and say: "Sorry. I don't like your rent. I'm going across the street, and I'm going to rent this place, which is better quality at a lower price." The reason that actually that person will be able to do that is because we have more supply to choose from in a competitive marketplace.

So ultimately that is our hope. That's why this government has put more land on the market, specifically in my own constituency, where more land means more builders, and more builders mean, in fact, more supply, and more supply means greater competition, and greater competition means a competitive market, that, I think it's fair to say, we do not have today.

I want to share with you what has in the past two and a half years – as much as we're having this debate today, I might say that this rate stability guideline is a very important step in the right direction. It's also important to acknowledge, which has been acknowledged by the opposition, that the principle of what we are trying to achieve, all of us, is helping those who don't own, in fact, an asset, a home, but they actually are in a situation of renting.

Tenant protection is critical in this important bill. Let me just give you an example. History is a wonderful teacher. Twenty-five years ago when the oil sands companies were being built, companies like Syncrude Canada, like Suncor, in fact, demonstrated quite clearly that they have a role and a responsibility in the issue of housing as well. I've made this comment quite public, that it's not just about the government. We all have a role to play. The reason I say that is this: 25 years ago as much as these companies were in the oil business, they were also in the housing business. Syncrude Canada had Northward Developments, where they built thousands of homes. In fact, Suncor, Great Canadian Oil Sands, called Athabasca Realty, built thousands of homes in helping our community. They did it because they saw it as their corporate social responsibility.

What has happened in the last two or three years? Let me give you the example. We have newer players of oil sands companies who come into my community of Fort McMurray and haven't built one home. Do you know what they have done? They've decided in their wisdom to grant living-out allowances of \$3,000 to \$4,000 a month. None of that amount of money that has been granted to employees in the oil sands, in fact, has ever built a home. What they have done, ultimately, has turned the market absolutely upside down in terms of what was taking place. So they give someone \$2,000 or \$3,000, and how do you think the market would have responded? I want to say when I hear of the \$150 today, which I still empathize with, that in my community two and half years ago rents had gone up by over \$500, \$600, \$700, \$800 based on this extra money that was floating around in the marketplace.

In an unprecedented move as the only cabinet minister in the history of Alberta to present at the Energy and Utilities Board at the time, I talked about corporate social responsibility. I said to them that they have a responsibility in a mature housing market. Just like the private sector has a responsibility, so does industry, and so does government. In fact, back 25 years ago the government had what was referred to as AMHC, Alberta Mortgage and Housing Corporation, and at that time they were there because we had a young community of 8,000 that could never have ever kept up with what was happening in the private sector. That's why industry was involved. So, really, it isn't about ideology. It was then about doing what was right to help grow the oil sands in a way that could provide housing in a responsible manner.

Twenty-five years ago, I might also add, there were 1,500 people living in tent farms at the Lions Park in Fort McMurray. Fortunately, we will never be at that crisis that we had seen 25 years ago in terms of where we are today because we are collectively working together.

I'm also encouraged by this: the chancellor of the University of Alberta had made a comment that industry has a responsibility, and they demonstrated at the time where they backstopped, and they mitigated some of the risk. So if you have now, 25 years later, a mature market that is building homes – an unprecedented number in Fort McMurray – and rental accommodations, and you add to that some backstopping of the risk by the oil industry, that can play a role in helping as well because they have a responsibility, combined with this rent stability guideline.

I believe that what this government is doing is the appropriate, responsible action in ultimately having everyone play a role in getting more rental units on the market so that single mom or that senior citizen or that middle-aged family can say to those who want to gouge: "Sorry. I'm leaving your rental accommodation because I'm going across the street to a competitor who's offering it for \$300 less than what you're doing."

Now, ultimately the market will work with this type of ingredient of everyone coming together. That's what this stability guideline is intending to do to help towards that end and achieve that vision that I have in terms of people enjoying this quality of life, and specifically in my community where, in fact, as much as we're talking about it today, it's been taking place for the last two and a half years. Wherever it's happening, it's unacceptable. This guideline that wasn't there two and a half years ago, I'm pleased to say, is there today because we have a plan, and ultimately that plan will work, and it will assist people who are renting in the private market.

Thank you.

The Speaker: Hon. members, Standing Order 29(2)(a) is available. Is this under the question segment, Calgary-Varsity?

Mr. Chase: Thank you. To the member from Wood Buffalo, who is in an area that is probably suffering the most extreme of circumstances. The member pointed out that oil companies and their northern allowances are allowing at least oil workers to be able to afford the Fort McMurray high rents. Does the member think that this is a good move, or does it cause problems for his community?

Mr. Boutilier: Let me very specific. As I made the comment at the Energy and Utilities Board, it is not acceptable, and this is the private discussion I've had with CEOs. I have indicated that Northward Developments, which was a subsidiary of Syncrude, and Athabasca Realty, which was a subsidiary of Great Canadian Oil Sands: that was a proper, responsible approach they took many, many years ago because they were ultimately building, and the ultimate solution to this is about greater supply. We all have a responsibility, but just putting more money in the market does not in any way help, in fact, in putting more supply in the market. It just turns the market upside down.

The Speaker: Additional question, hon. member?

3:00

Mr. Chase: Yes, if I may. Thank you. Thank you for that clarification. I would suggest that what the government is doing by subsidizing landlords who are gouging vulnerable individuals is the equivalent of what these oil companies do by increasing northern allowances. The money goes to the unscrupulous landlord as opposed to

helping out the individual, and it's the taxpayer in this case that's funding that extra allowance. Is that a reasonable comparison, Mr. Minister?

Mr. Boutilier: I guess what's really important – because as you know, we want to have nurses in our community of a hundred thousand people, and we require what we refer to as essential workers. So the government has taken the appropriate action in the short term, and this is only for a year or two, where, in fact, nurses are receiving \$1,040. I want to thank the minister of health, who, in fact, came up and made that announcement, where he indicated that they will of course be helped. Really, that was intended to help retain professionals in health care services and others, because they were leaving to go to bigger cities where rents were, believe it or not, less than what they were in my community. So I thought that the minister of health took the appropriate action. I want to say that the Alberta Union of Provincial Employees, the action the government took, in fact, of enticing them to retain and stay in our community was helpful.

Now, we're presently with the President of the Treasury Board, working closely with the Radke report, where \$400 million are going into our community. A part of that is being recognized. We have over 900 teachers. We are trying to work with them so they stay in our community because the 20-some schools we have require teachers, who are renting to be able to stay because of the youthful population of our teachers. They're very young, and the majority of them are renting, and we're trying to help them as well.

This is in the short term. It's my hope in the long term that our entire province will continue to be competitive so one community doesn't steal another professional from another community, which, in fact, has taken place in my community.

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

Mr. Chase: Thank you, and I appreciate the clarifications from the hon. minister. The minister talked about the need for stability and that these increases, which are much appreciated and are much necessary to achieve the stability in the community – he's hoping that they're of a short-term nature. Obviously, we hope, regardless of our political affiliation, that we can bring long-term stability. The minister also used the word "ultimately," as in: ultimately the market will solve the problem. I know that this is asking you to foresee the future, but do you see a time coming in the next two to three years where stability will take place? Could you provide a vision for that ultimately?

Mr. Boutilier: I think it's a very good question, and I think, obviously, you're talking about a community that perhaps is the epicentre of what's taking place, even though it's taking place, as I mention in my submission to the EUB, in many other areas, be it northwest or up in the Peace Country and other areas as well. If I could give you the best example of that: the oil sands were projected to have \$20 billion of investment over 25 years. I might add that our former Premier, when the comment was made about a plan, his comment, clearly, was this: no plan could ever keep up with the unprecedented growth that was happening.

The Speaker: I'm afraid that we've now exhausted that section of our agenda.

So I'll now call on the hon. Member for Calgary-Varsity, to be followed by the hon. Member for Edmonton-Strathcona, to be followed by the hon. Minister of Public Security and the Solicitor General and then the hon. Member for Edmonton-Riverview.

Mr. Chase: Thank you. First off, Mr. Speaker, I'd like to compliment you on your tolerance today for allowing questions that hovered around Bill 34. As a Liberal caucus we attempted to very carefully word our questions such that they would be allowed to be asked and discussed and answered in the House, and I appreciate your tolerance today for allowing those discussions to take place.

Calgary-Varsity is quite a diverse community. I have some rather expensive real estate in the Calgary Varsity Estates part. I also have throughout my areas a number of very rundown duplexes and fourplexes, and I'm sure that a considerable number of the basement suites in my area are of the illegal nature.

Nevertheless, people are desperate, and as a result they'll put up with some questionable environments just so that they can survive. I had one constituent who raised such a ruckus about the terrible state of his landlord's failure to renovate or provide any support for the leaking into the basement. It was just a very, very sad circumstance, but because the individual had a very weak physical system, he stayed within this area so that he could access the health provided from the Calgary Foothills hospital. However, when things became so bad and his landlord doubled his rent without providing any kind of renovation or any reason for doing so, the individual applied to the government, and the government came through for this particular individual. Rather than have him continue to be a burr under their saddle or a thorn in their side, it was worth \$21,000 for the Alberta government to move this individual and his belongings, which were not very many, to the province of Ontario, where he was able to set up and begin his life again.

In the Calgary-Varsity constituency there are a terrific number of tall apartment buildings and very tall condominiums. An apartment building that is just around the corner from my constituency office – I brought up the story of the residents of the 298 units, who were facing a variety of rent increases, all of which approximated 50 per cent plus. These people had a series of difficulties in the sense that some of the stories I brought up were individuals on AISH. I brought up stories of fixed incomes.

Today I talked about an individual, a wonderful man. He's a giant of a fellow. His name is Fred Bishop, and Fred Bishop's rent will increase by 50 per cent on June 1. That rent that he'll be paying – he'll be asked to pay over a thousand dollars, and of course you realize that AISH is approximately \$1,050 – is for a 550 square foot apartment. Fred doesn't have a whole lot of options. Fred has a very severe heart condition, high blood pressure. Despite his difficulties he remains a very cheerful individual, and Fred, when he can, when his health permits, will come into the constituency and provide a voice for those 298 individuals in that complex.

It was Fred who first came to my office and reported the unfortunate suicide of an individual living in that complex. The individual had a series of instability incidents prior to this time, but it was the increase in rent that was indicated in the note that was left that, unfortunately, caused this individual to take a very drastic action. The following week Fred came back to the office and recounted the story of another individual who in that same building had committed suicide.

These are desperate times, and we need to have long-term and short-term solutions. Bill 34 does go a way in terms of addressing long-term situations. It provides \$285 million worth of affordable housing stimulation. I think, however, that we're all aware of how long it takes to get a home up, particularly with our building and builder shortages. The concerns that are brought up by my hon. colleagues from the NDP and my hon. colleague from Calgary-Currie I want to echo, and that is that there is no provision in Bill 34 for the here and now.

3:10

My colleagues from Calgary-Currie and from Calgary-Mountain View and I last spring all participated in the homeless count in Calgary. We found that in the period of two years homelessness had risen by 40 per cent. My belief is that if we went back to the 2004 statistics and we carried out that same homeless count this spring, I would guess that the increase in homeless population is probably approaching 60 per cent. Now, to put that into terms, I believe it was approximately 3,600 individuals that were counted on that particular night. That doesn't include the number of young people who are doing what is called couch surfing, where they go to one friend's house and the parents put them up for a couple of nights, and then they go on to another person's if they have the good fortune to have that family connection.

Besides the vulnerable seniors, the people on fixed incomes, AISH, the individuals who are requiring support because of cognitive disabilities, live in homes that are not subsidized to the extent they should be. I talked to one individual. Because she has two dependent adults living in her home, the government in its wisdom suggested: "Well, it's one roof, two people. We'll just halve the amount of your allowance because it's a single roof."

So the types of individuals who are experiencing stress are growing in Calgary-Varsity. I'm sure that my area isn't a whole lot different than everybody else's, at least who are in a municipal circumstance, and it's the municipalities where people are initially drawn to to, hopefully, make their fortune. Unfortunately, that's not happening.

Another group in my constituency that is having a really rough time of it – and the same could be said for Calgary-Mountain View and Calgary-Currie because we're all postsecondary bedroom communities – is the number of students who are trying to pay their tuition, go to university or go to SAIT or the Alberta College of Art and Design or, in the downtown area, Bow Valley.

They're doing their best. They want to get out there. They want to participate in the Alberta economy. They want to contribute. But what's happening is that their whole educational experience is being stretched out because they cannot take on a full course load. They cannot afford the cost of the full tuition. They cannot afford the time that it takes to go through a complete course load because they have to work at least one to two and, in some cases, three – I've talked to a number of students – a series of jobs. So they're trying to juggle their studies. They're trying to juggle paying the rent.

The increase in demand at the University of Calgary's food bank is tremendous. The unfortunate state of affairs is that it's not just the students. There are members of the university staff. And I found this very hard to believe, but I was assured that this was the case, that there are even professors who, on occasion, have to resort to going to the food bank.

Our economy is so out of whack and our balance is so much missing that the need for an interim measure is absolutely essential. This is where Bill 34 fails us. Bill 34 does not consider the need for a temporary – and I emphasize "temporary" because that's what our deputy shadow minister for municipal affairs suggested. [interjection] Well, our deputy leader, our shadow minister for municipal affairs, just in case there was confusion as to how I was labelling the MLA for Calgary-Currie. What he pointed out and our Liberal proposal is for one year, enshrined in legislation with a sunset clause, that would see a capping of rent at the 10 per cent mark. Interestingly enough, the housing task force came up with a very similar recommendation. I think it was inflation plus 2 per cent.

All these suggestions have been out there about some sort of a reasonable cap. We don't expect landlords to be philanthropic. You know, we're realistic. Some landlords do everything they can at

their own personal expense to shield renters from experiencing large increases. Yesterday there was an individual, a landlord, who came to speak to the minister, and that landlord had done everything he could to shield the individual from rent increases. In some cases it was at the expense of the other tenants, but they agreed that keeping this person with a disability within their complex was important. So there was kind of a family attitude: the whole family suffers so that the individual who is most vulnerable can be supported.

I do not understand why not, other than for purely ideological reasons, the notion of a temporary rent control, one that has a sunset clause of a year, which could then be discussed further if our economic imbalance continues. It could be reinstated, or we could change the percentage. What it would do is keep people in their homes. As soon as we take a person out of their home and put them on the street or institutionalize them, the cost of that individual rises threefold. So there's an economic argument as well as sort of an ethical argument for keeping people looked after. There's an ethical argument for making sure that they have clothes on their back and that they have food in their stomach. It's economic; it's ethical. I, again, fail to understand why this government does not see that need.

Now, on the other side of things: the instability for landlords. They don't know what the rules of the game are either because the education/information portion of Bill 34 has not been clearly communicated. We've heard through the papers, and I'm sure individuals have had the threats that there will be class-action suits for the intervention . . .

The Speaker: I must now advise that we're into Standing Order 29(2)(a), if there are questions for the hon. Member for Calgary-Varsity.

There being none, then I will call on the hon. Member for Edmonton-Strathcona, followed by the Minister of Public Security and Solicitor General, then the hon. Member for Edmonton-Riverview. If there's a government member who would like to participate, kindly notify me.

3:20

Dr. Pannu: Thank you very much, Mr. Speaker. I rise to speak on this piece of legislation, that deals with a very, very important and serious problem in the province, a problem that has been growing for several years. The investors in rental accommodations have known about it. The government should have known about it. We on this side of the House, certainly, have been hearing about it for a long time. All the arguments in the House that have been going on during question period over the last couple of weeks and the excellent work that was done by the all-party committee on housing, the housing task force, all revealed that the problem is really of crisis proportions, and something immediate needs to be done as well as planning for the longer future in trying to address the problem of the shortage of affordable housing.

Now, this bill, Mr. Speaker, is about the transition period, but over the next two years what do we do while we wait for the supply of affordable housing units to increase, to strike a new equilibrium between supply and demand in the housing market? One thing that's been known and should in fact be underlined is the fact that the market in the case of housing supply in this province has failed. We are dealing with a failed market situation. To therefore entirely again argue in favour of reliance on market forces to correct the situation is clearly the wrong way to go. I think the task force report recognized the weakness of this market argument, that the market automatically, given time, will fix the problem. In fact, the task force report recommendations call for short-term intervention, intervention in terms of controlling rents, putting some cap on those rents.

This bill seems to very, very minimally pay attention to the very first step that the task force on housing recommends. For example, the introduction of a two-year rent stability guideline is one of the recommendations that it made. The first bullet under that heading says: "would stipulate rental rate increases once annually." The second bullet: "be in place for a two-year period only." That's important, Mr. Speaker, because much of this criticism of us, of our position that some cap should be put on, is somehow based on the assumption that this will be there forever. We are following the task force's recommendation, a recommendation made by the all-party committee, that two years is what we have in mind here. The rent control or the cap on the rent increases is not forever. The third bullet says, "keep rental rate increases within a guideline of [consumer price index] plus 2%," which translates, according to the report here, to about 7 and a half percentage points, so a 7 and a half per cent increase.

[The Deputy Speaker in the chair]

Now, if this was done and the bill was about that, that would really provide both stability and predictability in the market over a short period of time, stability to renters. With this open-ended, no cap increase once a year proposal that's part of this bill, renters will get whatever increase they get this year. It could be 20 per cent, 50 per cent, 100 per cent. They don't know what the rent increase will be next year. It could be another whopping increase, thus creating a great deal of uncertainty in their own household budgets.

We know that in Canada if a family spends more than a maximum of 30 per cent on housing, then it hurts the family's ability to provide other necessities that families need. With this bill there's absolutely no way for a family to be even mildly certain that 12 months from now their family budget won't be thrown into another crisis because this bill fails to put any cap on the rent increase that they should expect. It's impossible for them to plan their family budgets from year to year. So that's one of the serious problems with this.

With the failure of the government to recognize that, in fact, the problem that we face today is the result of market failure and therefore to argue that they want to protect the market forces to correct the situation seems to be a very false and faulty argument, Mr. Speaker.

The leader of our caucus made the point of the undemocratic nature of the debate, the controlled nature of how this report has been dealt with. First of all, the task force was asked to go to the people of Alberta, hold public hearings, but then the government receives the report and doesn't release it so that the public in general can participate in understanding what the recommendations are or whether or not there is general support for it or how that set of recommendations can be supported.

Mr. Speaker, there are close to anywhere between 35 and 45 per cent of Albertans who rent accommodations in the various communities across this province. Only a small number of them will be able to take advantage of the so-called protection against rent increases because it's income-contingent. The vast majority of the renters are, in fact, young, middle-class, working families trying to earn enough income, waiting for a few years, making some savings so that they can buy their first family house. Now, these are the people who will not be protected by any of the measures that the government has taken. They will not be protected from exorbitant rent increases by way of this bill. This bill will fail to either protect any certainty or predictability for the large majority of the renters in this province, and it will not bring any modicum of stability to the market forces.

In fact, Mr. Speaker, the second part of this bill is about condo-

minum conversions and giving one year's notice. My fear is that this bill will in fact expedite the rate at which rental properties are converted into condominiums in order to avoid the one-year limitation. What that will do is put more people at risk of losing their homes while those conversions are taking place.

Mr. Speaker, this is a flawed bill. I think it can be fixed to some extent. We'll make every effort on behalf of our caucus, the NDP caucus, to bring forward amendments to address some of the difficulties and problems that we see in this bill, but as it stands, it will not solve the problem. It will only exacerbate the difficulties that currently confront a very large number of Albertans who are renters and help very few, if any, only because the government has now put in place a way of subsidizing the so-called renters. I submit that that actually should be called subsidization of landlords. Many of them seem to be engaged in studying the market very carefully, know that there's a serious market disequilibrium, and are ready to take advantage of that.

I don't blame them because they're in the business of maximizing the returns on their investment, but the government has a responsibility to protect the public interest. It has a responsibility to protect the interests of middle-class families first, before it protects the interests of a few investors who may be disgruntled if any cap is introduced on a temporary basis in order to stabilize the market situation in this province with respect to housing and bring equilibrium back to that market.

Mr. Speaker, in my constituency, certainly, Edmonton-Strathcona, thousands of students return every year for an eight-month period to go to their postsecondary institution of choice. There are many NAIT students who live in my constituency as renters. There are a very large number of University of Alberta students who live there as renters. They are the ones who are going to be terribly badly hit come August when they return to school here. These are students who, in fact, come from outside of urban centres. These are rural students who will be coming here. When they find that the rental accommodation for them has really become extremely expensive, that the rent increases are in the range of 50 to 100 per cent if they're lucky to get an accommodation close to the university, in that area, they'll find that the government policies have failed to protect the very large number of young, vulnerable students who come from the rural areas and small towns into big cities like Calgary and Edmonton as they pursue their education. Their ability to pay for these increased costs of their education will have to be borne by them through borrowing more money from student financing and other sources. This will only increase their debt levels and create more serious problems for them as they move through the education system.

3:30

This bill will hurt a very, very large number of people, including very young, industrious, earnest postsecondary students, who are, in fact, the future of this province. So I don't know whom this bill is really designed to help: very few people, in my view, if any.

Mr. Speaker, another advantage of the rent cap – and we can always argue about the scale of it, whether it should be 7 and a half per cent or 10 per cent or whatever, although I think that in its wisdom the task force made the right recommendation, that the increase be in fact capped at around 7 and half per cent for the next two years as a temporary capping. If we did that, I think this will dampen speculation among people who buy and sell rental property and, in fact, bring more tranquility and more stability to the housing market, rather than the other thing. The impact of this is going to be perverse, as a matter of fact. It's going to increase speculation. It's going to increase pressure on the prices and the cost of purchasing

and then renting that property. That will further jack up the rental rates.

Mr. Speaker, a point has been made, and I think the NDP caucus had drawn the attention of this House to the fact, that a company like Boardwalk – and I don't make this an accusatory reference; I'm not accusing them of speculating. This is something normal. I think it's normal corporate behaviour that a corporation would take advantage of the market situation to the best of their ability. Now, Boardwalk says, in fact, that with the skyrocketing increase in the prices of new houses, there'll be more demand added to the existing very high demand for rental properties. More and more young families won't be able to purchase their first house because the prices of new houses have skyrocketed. So they predict that there'll be a pool of people in Alberta, without making any projections for the increases coming in from outside, who'll be looking for rental accommodation, and it will increase and increase quite rapidly. They see it as a good opportunity, therefore, with respect to the prospect of their investors earning an even enhanced and larger return on their investment.

The Premier, on the other hand, keeps drawing attention to the 52,000 housing units that are under construction. Well, who's going to buy them? Boardwalk is saying that many young Alberta families, middle-class families, won't be able to buy these houses. They will therefore add to the demand and create an even more serious disequilibrium in the relation between the supply and demand situation. Therefore, the market left to itself, as this bill does, in my view, will not address the problem of hot prices in affordable housing in this province in the short run, and it remains to be seen whether it will do anything to encourage investment in this area in the long run, Mr. Speaker.

So with that, I want to just reiterate the position that my caucus and I have taken on this bill. We are concerned that the bill fails in addressing the problems that need to be addressed in the short run. It fails because it refuses to introduce caps on the rental increases on an ongoing basis.

Thank you, Mr. Speaker.

The Deputy Speaker: The hon. Minister of Public Security and Solicitor General, followed by the hon. Member for Edmonton-Riverview.

Mr. Snelgrove: I have a question.

The Deputy Speaker: The hon. President of the Treasury Board under section 29(2)(a).

Mr. Snelgrove: Thank you. Just a question on how many more units the hon. member thinks we might need to bring into balance the supply and demand. From April 1 to May 5 the call centre that's strictly dedicated to tenancy issues received, according to your numbers of 35 or 40 per cent renting – and I'm just going to use a million renters, which would be the bottom end of your estimate. Less than one-tenth of 1 per cent of renters called that number to talk about rent increases, and that number is 906 calls.

Now, I'm not saying that these people aren't in dire straits. We've seen those examples. But what increase in housing numbers does the hon. member think we need to achieve an equilibrium that would put the supply and demand back on an equal footing?

Dr. Pannu: Mr. Speaker, I want to thank the minister for the question. The information about the government plans to address the crisis that the all-party task force has drawn attention to is just beginning to get out. Just wait for a few more weeks and the number

of calls that you will receive, which you want to use as an indicator of the scale of the crisis, I think will become clear to you. Don't rely on your number. We called some of these numbers ourselves over the last few days, and they don't provide any information to people who call. So that discourages more people. News that gets out that these numbers really don't provide any information. Perhaps that discourages a lot more people. They say: well, what's the point of calling if there's no information to be had at those numbers?

So, Mr. Speaker, I say to the minister that it is his responsibility to listen to the work done by the task force and the task force's own words. This is an all-party committee. There are Conservatives on it. There are NDP on it. There are Liberals on it. It has listened to hundreds and hundreds of Albertans, and based on that, they are the ones who say that there is a serious housing crisis in this province. The minister seemed to suggest from the way he asked me the question that he thinks there's no real housing crisis. There are only about a thousand people that he needs to deal with. That would be very disappointing if that's the understanding of the minister.

The Deputy Speaker: Are there others under 29(2)(a)?

Then I'll call on the hon. Minister of Public Security and Solicitor General.

Mr. Lindsay: Well, thank you, Mr. Speaker. Obviously, due to our booming economy, where we have 100,000 new residents coming to our province every year, yes, we do have a rental unit shortage. This shortage creates a unique challenge, and I would encourage all members to support Bill 34 because it addresses this challenge in a very positive manner. Limiting rent increases to one per year will assist many families with budgeting by providing certainty over a 12-month period and will also reduce the number of increases they will be facing.

The one-year notice period for converting apartments to condos also provides renters with time to seek other accommodation if that option does become a necessity. The members opposite have also expressed concern about rental facilities being converted into condos, Mr. Speaker. Landlords exercise this option for financial reasons, and rent controls would only speed up this process of these conversions. Government intervention in the marketplace will have a negative impact on rental housing investment and make the problem of availability worse than it is today.

Mr. Speaker, this government has programs in place to help renters who are in need, and they will be helped. Bill 34 will also help, and I encourage all hon. members to support it.

The Deputy Speaker: Does anyone wish to rise under 29(2)(a)?

If not, I recognize the hon. Leader of the Official Opposition.

Dr. Taft: Thanks, Mr. Speaker. I appreciate the opportunity to debate on what is obviously a timely and important bill and one that's going to get a lot of attention in the next few days, on an issue that's already getting a lot of attention.

I need to start just by expressing how widespread my experience of this concern is in travelling around the province over the last couple of years. The reason I want to do this is because I'm just surprised that this government seems to have been caught off guard by what's going on here. I'm going to give you a handful of examples. Last Calgary Stampede I was at a major barbecue and was approached by a young lawyer at the time who said, "You know, Kevin, everybody in my building was just given a huge rent increase." And he said: "I can afford it because I'm a lawyer in a big firm, but there are all kinds of people in my building who cannot. You folks in the Legislature have to do something about these rental hikes."

3:40

Obviously, Fort McMurray comes to mind almost immediately for everybody talking about affordable housing issues. I'm sure there are many of us here who have been up there. You meet with the school board. You meet with the police. You meet with the college. You meet with all kinds of people there who aren't directly in the oil industry, and virtually the first thing that comes to mind are concerns around affordable housing, to the point where, if memory serves me right, the RCMP and the school board are sharing and constructing a facility to house new recruits coming to Fort McMurray, and on and on it goes. Of course, the situation there hopefully will improve over the next few years, but it took a real step backwards a few weeks ago with the big fire.

Hinton and Edson both are struggling terribly with housing problems, to the point where services in those cities are having difficulty recruiting staff. I heard a detailed account in Hinton many, many, many months ago about efforts to recruit a physiotherapist there from out of province, who loved the idea of living in Hinton close to the mountains, the outdoors, all of that sort of thing, but the cheapest rental accommodation, I think, that could be found in the whole town was something like \$1,800 a month. Well, the person chose not to come because of that. Likewise, in Edson there are those kinds of challenges as well.

Last summer, I was touring around the north, Athabasca. Big challenges in Athabasca. They're in the shadow of Fort McMurray now in the oil sands development, and people are living in Athabasca and putting their families there and working in the oil sands. You know, I remember being interviewed by the radio reporter in Athabasca. He was living in a hotel at the expense of his employer because there was no place for him to rent.

Slave Lake. I pulled into Slave Lake, just went mainstreeting, talked to people in the cafeteria at breakfast time at the hotel, and they spoke about starter houses in Slave Lake being \$300,000 and \$400,000.

Lac La Biche. Same kind of thing, huge spike in housing costs causing real challenges for renters.

Red Deer. Red Deer has been booming. Red Deer, actually, to their great credit, like Medicine Hat, has taken real leadership on affordable housing issues and on homelessness, and I think Red Deer has a target of zero homelessness within several years.

Medicine Hat has an outstanding program and, I think, may be a model for other parts of the province on how to provide affordable housing. But, again, they're finding it's a real challenge.

Drumheller, of all places. You know, you'd never think of affordable housing and rental accommodation as a challenge in Drumheller, but it is.

Of course, as severe as anywhere is Grande Prairie, where we had a town hall meeting perhaps two months ago now. The only topic people wanted to talk about was housing, and we almost literally had people in tears as they told stories about problems trying to find any kind of rental accommodation, of people living weeks and even months at a time in the cab of a pickup truck because there was nowhere else for them to live.

Of course, we have the situation in Edmonton which is I think being particularly forcefully played out in the Assembly this week, where we have dozens of people a day coming to meet with the minister to address these issues.

This is a widespread problem – north, south, east, west, big city, mid city, small city – and it has been building for a long time. So I have to confess real surprise and disappointment that we haven't seen action sooner and much broader and more effective action than we've seen from this government so far.

Indeed, Mr. Speaker, I'm holding in my hands right now a

comprehensive policy developed by the Official Opposition on exactly this issue that's been out for months. Where has this government been on this issue? Aren't they getting the phone calls? Aren't they hearing the concerns of the residents of Alberta on this issue? We sure are, and we've done something about it. I could take the time to just read our whole policy into the record, but I won't, and I'm sure that's to the relief of the minister.

Mr. Danyluk: Grandstand: that's what you've done. You haven't helped.

Dr. Taft: The minister is suggesting that we're grandstanding and that we haven't helped. Well, perhaps I should read our whole policy into *Hansard*.

This bill, Mr. Speaker, takes a small step in the right direction. But the problem I find with the government's approach is that it's trying to take half a step when it should be taking a full step. I think this can be attributed to this government's failure to understand some basic dynamics of marketplaces. You need in these circumstances to wade in boldly and comprehensively and address the imbalance on both sides of the marketplace.

When you do half a job, which this bill does, you actually create instability for landlords. You create confusion for landlords, and they do the predictable thing in many cases, certainly not in all – there are all kinds of great landlords in this province, but many of them are doing the predictable thing and saying: "Well, gee, we don't know what the government is going to do. It looks like they're limiting us to one increase a year. Who knows what'll follow on that, so we're going to go for the max." That's what we're seeing playing out, and the victims in that are the renters.

Governments intervene all the time in marketplaces, Mr. Speaker. This government intervenes all the time in marketplaces. We brought out some examples in the last few days on regulated requirements on utility companies, regulated approval on auto insurance, on subsidies for natural gas prices. Many, many times this government intervenes in the marketplace, and governments across the country intervene to manage markets, to manage the economy itself. I mean, it's considered a basic responsibility of a government at a national level, for example, to manage an economy through raising or lowering interest rates, through controlling the monetary supply, through controlling its spending, stimulating or pulling back on the economy by controlling spending. This is what a government does. For this particular Alberta Conservative government to be saying that governments shouldn't do that, that governments shouldn't intervene makes no sense.

An Hon. Member: Hypocritical.

Dr. Taft: Yeah. It's a double standard, as we've been saying over and over.

Mr. Speaker, my view on market forces is that in the right circumstances market forces are exactly the way to go. They're exactly the way to go. Markets can be creative. They can be efficient. They are dynamic. They're incredibly productive. We achieve things through market forces that no other society in history has achieved. So if circumstances are right, let people be free. Let producers produce and consumers consume and negotiate and create and invent and so on.

But when market forces aren't right, you don't just back away. You step in. That's a government's basic responsibility. There are all kinds of examples where market forces don't work, well-known standard procedures, standard theory in economics: market failure. Markets can go wrong for lots of reasons. What we have here in the

case of the housing market is a market that's out of balance because the demand has far exceeded the supply, so government needs to intervene. I think we would all agree – even the minister here and the Treasury Board president would agree, I hope – that the long-term solution to this problem is more supply. We have to bring on more supply of housing. We have to stimulate that, and we are in our housing policy proposing a range of ways of doing that: changes to zoning so that we can bring on secondary suites, incentives to builders, all kinds of other options that we could see.

3:50

I think that we could learn from the past as well. There was a time when Canada had some of the best housing programs on the planet, and they worked well. There's still lots of housing built in Alberta that dates back to the 50s and 60s, when these programs were in place. They brought on supply, thousands and thousands of units, through, for example, low mortgages for developers in return for constructing affordable housing. But that takes years. All of those solutions take years, and people are getting huge rent increases today. So we can't just sit on the sidelines, or at least the Alberta Liberals can't in any good conscience, and just let seniors on fixed incomes or students or single parents trying to get going be casualties of bad government policy in a failed marketplace.

So that's why, Mr. Speaker, we have brought forward a proposal for a temporary rent cap. Stabilize rents, and look after the people that are going to be victims of an imbalanced market until the market can be corrected. It's reasonable economics, it's by no means unprecedented, and despite the unrelenting claims of the Premier and other members of his cabinet there are examples where rent controls have worked perfectly well to protect people. Bringing in rent caps on existing rental units is not a huge discouragement to new rental units being constructed, for example.

So, Mr. Speaker, this bill fails. It fails for not going far enough. It fails for not doing what needs to be done, which is to protect renters from unlimited rent increases. It fails for a lack of vision. It fails for a lack, in our view, of an understanding of the humanity of the housing crisis, and it fails, in our view, for a lack of understanding of basic economic forces.

Now, I know that I'll get debated on that, disputed on that, but all you need to do is go out and listen to the people, go out and take the phone calls to your constituency office, not just from the landlords but from the renters. Put yourself in their shoes. Remember what it's like to live without an accommodation allowance. Imagine what it would be like to live on your CPP and face a \$300 a month rent increase and have nowhere else to go because there is nowhere else available.

This comes down to a compassionate view, to an understanding that government isn't just about the law of the jungle. We don't want a province in which it's strictly the survival of the fittest and the rest fall to the side. We need to bring everybody along. Everybody, Mr. Speaker, needs a home, and the Alberta Liberals understand that. We accept that as a basic principle. We'll do whatever we can to bring the government along to understand that same view.

Thank you very much.

The Deputy Speaker: The hon. President of the Treasury Board under 29(2)(a).

Mr. Snelgrove: Would the rent controls cover both existing and new units if you were to impose them? Would they cover existing relationships between the landlord and tenants, or would they also cover all new contracts?

Dr. Taft: Good question. A great question, and a serious one. I appreciate that. We've worked this through. Our rent caps would apply to existing units, and it would be limited, as we make very clear in our policy, to 365 days. At the end of that, as the Member for Calgary-Varsity said, we could review it.

We agree with the government, I'm sure, that the solution here is to get more supply on board. The problem is that in the couple of years that that's going to take, there are just too many people falling to the wayside. So for those people who are in their homes now, renting, we propose a 10 per cent cap on rent increases per year.

Thank you.

Mr. Snelgrove: Just to follow up, if that's the case, what would stop the landlord from simply evicting their tenants and then saying: "It's a new deal. My rent goes up"?

Dr. Taft: Well, we thought through these angles. These are all good questions, absolutely. Part of our policy, actually, is very similar to what's in this bill, but our concern is that taking a half-step, like this bill does, isn't sufficient. So, for example, in our policy we would prohibit apartment buildings being converted to condominiums unless the owner agreed to build an equivalent number of rental facilities, rental units. For each action, there is a reaction. That's the dynamic of the marketplace, and we need to think through each of those. Our belief is that this situation can be managed with a comprehensive policy that steers us through to a point where there is a surge of supply, and that'll address the problem. So there we have it.

Thank you.

The Deputy Speaker: Are there others under 29(2)(a)?

If not, on the bill. The hon. Member for Edmonton-Manning.

Mr. Backs: Thank you, Mr. Speaker. I'm very pleased to rise to speak to this bill today in this House of Assembly. You know, there are some interesting flows in the economy that we've seen in the last little while. We've seen shortages of this type in Fort McMurray and Grande Prairie and from time to time in other centres when they have boomed. The CMHC statistics have shown that, really, Edmonton, for example, only showed up in statistics as coming – for example, in 2005 it was at 4.5 per cent in terms of vacancy rates for private structures with three or more apartments, but it fell by October 2006 to about 1.3 per cent. Calgary was at a bad vacancy rate before that, close to 1.7 per cent, but then fell to 0.3 per cent, so a very, very difficult vacancy rate. Much of these vacancy rates have been exacerbated and made worse in the last year and in the last six months.

It's clear from many economists that in the perfect sense – and other speakers have talked to this – rent control as a long-term policy does not work. That is why, for example, the NDP government in Saskatchewan in 1992, I think it was, killed rent control. That's why the Alberta government killed the rent control that it had at one point in time. The nature of rent control in a market economy is that it does inhibit new construction. It does contribute to the deterioration of existing housing. It does reduce property tax revenues. It does increase administration costs substantially. It does reduce consumer mobility. It does increase consumer entry costs.

It has social implications that are problematic. The social costs of rent control fall mostly on the poor. They have a drop in the quality of existing rental housing. There's a marked decline in the numbers of housing units available to poor families. It creates substantial disadvantages to poor families in finding new housing because there begins to be a preferential treatment by landlords of those who can

find housing and sometimes in other ways. It goes to families. It goes to whatever.

We've seen these things in New York City for a while. I had some experience with trying to get my sister a place there some years back. They've had rent controls there for many years. In New York City, for example, a study of rent control found that rent-controlled households with incomes greater than \$75,000 received nearly twice the average subsidy of rent-controlled houses with incomes below \$10,000. So there are some really odd anomalies that come into place when we're looking at trying to help disadvantaged families. It promotes, like I said, housing discrimination. It brings about problems in the construction of units. There are alternatives. I think the government has looked at measures other than this bill as alternatives to creating much additional supply.

4:00

I'll table that document on the high cost of rent control in the Legislature tomorrow. I'll also table the document on how rent control killed affordable housing in Winnipeg. I'll also table the rental market report from CMHC. By the way, CMHC will be coming out with a report in June looking at the local market, as I understand.

Nonetheless, the importance of looking at the marketplace and how our market here is not a perfect market right now really brings about a need to – I put out a press release yesterday saying that there needs to be some rent stabilization in the short term if we're to look at the fact that our market . . . [interjections] I've been getting lots of heckling here from the Member for Edmonton-Rutherford. He was heckling, Mr. Speaker, even introductions the other day and even tablings. You know, it's amazing that this would happen.

But I think that what we have to do in terms of looking at the whole rental market is look at areas. There is certainly not the reality of the need for stabilization of the rental market in – for example, one of my researchers from Daysland says that there is no need to stabilize the market in Daysland, and there's no need to stabilize the market in Fort Assiniboine. But we do see the potential for some increasing real difficulties in the Edmonton market and certainly in the metro Edmonton market as we see the upgraders coming in and the influx of new people increasing in the next year, two years, and three years. We'll have the need for tens of thousands of new people even over and above what we have right now, and we're going to see a greater destabilization of that rental market.

Maybe it's not rentals that we have to look at. You know, what happens is that you have to look at vacancy rates in a larger area. The vacancy rate should be the key to looking at when a market is not working correctly. Something like 2 per cent, 1 and a half per cent and below, that sort of a market range is where we should be looking to monitor rent and to try and increase the supply and have effective ways of really increasing the supply in the short term.

What McMurray had to do when they had this real shortage of supply was look at loosening the whole situation with secondary suites. Well, I was up in McMurray a couple of weeks ago, and the McMurray council had to pass a bylaw saying that there could be only two people staying as boarders in houses because there was no parking in the streets in some of the lower income areas. You're having five and six and seven people staying in trailers. You're having lower end condominiums with five and six and seven people, and there's no place to park on the streets. You get other problems when you try to look at those as the only solutions.

The need to look at the supply side is the key. Having worked in construction a lot in the past, you know, the best short-term solution – sometimes it's not nice, and nobody wants it in their town but maybe nearby – is that you've got to have some camps for the

people that are coming in from outside. You've got to have some ways to deal with housing for people that aren't going to have housing. These are the ones that are coming in and, as the Member for Fort McMurray-Wood Buffalo said, are able to pay because their employer is giving them living allowances of \$3,000 and \$4,000 a month. They will take away any apartment and outbid anybody, and they'll do that just to have it for the week. They won't even have it for the weekends. They might only be there for two weeks of the month. And that's what has happened in Fort McMurray.

We have to look at targeting existing programs not with a broad brush yet but just those areas that really need it. The government was right in responding to the Radke report and doing that for Fort McMurray. There may be a need to really look seriously at doing something for the Edmonton and area market in the near future, to look at what will be happening with the heartland upgraders and other things that are being built in our area. Certainly, Grande Prairie is having similar pressures.

The people that really do have the worst problems with this are those on fixed incomes, those on AISH, those that cannot move easily. Those are the ones that I've seen, that have come to me. We've done a survey of a high-end apartment building in my riding, and we've done a survey of some low-end ones, and the ones in the high end didn't really respond much. They didn't really care that much. They didn't really make all that many complaints. Many of them said that they're going to be moving and buying a house, even though it costs a lot of money, because they're doing well in a boom-time economy.

But the ones that are on AISH, the ones that are on low incomes, the seniors that don't have much of a pension: those types of folks are the ones that are having the problem. Those are the ones that are coming here today. They're a smaller part but a very significant part of our population and ones that we cannot forget. Something in this whole package needs to address more some of the things that the minister of employment and immigration spoke of doing. I don't know if they really do the whole thing for most of those people. Many of them have come to my constituency. It is a problem in the cities.

We should look at other ways to ensure that the pressures on the market are kept to be less on our students, as was talked about by the Member for Edmonton-Strathcona. But, you know, it's a funny thing. I believe it was last year that the Grant MacEwan students' residence wasn't even fully taken up by Grant MacEwan students, and they had to open it up to students from NAIT and other areas. They were renting other accommodations because they wanted to. Well, there will be pressure, I think, as these prices rise and as we see the market go forward, to see that they have some additional accommodation open to them. We might be opening other sorts of things to them in order to take care of that pressure on the market.

It's bodies coming in from outside, it's people seeking accommodation, it's people seeking new accommodation that are exactly the problem. The monies that have been put forward will bring things in the next two to three or four years. But as the city said, here in Edmonton it may be difficult to find the 2,500 spots to build. It will be difficult to affect that market. We do not have a perfect market, and we do not have in that housing construction sector – not in all sectors but in the housing construction sector it's very difficult to find qualified people that will do that in a timely and experienced basis in terms of the trades that are necessary. So we're not going to get those people in those units built in that time. We're going to have an imperfect market because of an imperfect labour market right now.

Nonetheless, rent control does not work in the long term, and it does not work well even often in the short term, but there should be

some area caps in order to do that. I'm not sure if one year goes far enough. I support the bill, but there may be a need for some real supply-side factors to be looked at in other ways and in the short term.

There may be a need to look at enhanced home ownership, which I think is the best solution in the long term, to look at some of the projects that have been done in other areas such as some of the high-rises that have been built in co-operation with organizations like Habitat for Humanity, that bring about home ownership, that bring about pride in people's homes because they do in fact own them, because they do in fact have a stake in them, and because they do in fact know that they will be there for many years to come. I think home ownership is what many people in Alberta are very happy with, with the prices going up, because they've got equity that's increasing. Those are, in fact, the majority of people in Alberta. But it does pull those that are in situations that are not the best into a difficult quandary right now because they do in many instances have the problem that they may be losing their home. Many have come to my constituency. They are out there.

That's all I have to say. Thank you, Mr. Speaker.

4:10

The Deputy Speaker: Does anyone wish to rise with a comment or a question under Standing Order 29(2)(a)?

Seeing none, on debate I'll recognize the hon. Member for Edmonton-Rutherford.

Mr. R. Miller: Well, thank you very much, Mr. Speaker. It's my pleasure to rise this afternoon and speak to Bill 34. I'd just like to say that that was a very good speech that the Member for Edmonton-Manning just gave although I'm fearful that his application to join the government caucus might be in the shredder as we speak because he's just spoken out against the caucus that he wishes to join in terms of favouring some sort of rent stabilization.

Mr. Speaker, I have several comments that I'd like to make this afternoon. The first would be to thank the Minister of Municipal Affairs and Housing and the hon. President of the Treasury Board for taking the time yesterday and then again today having their staff meet with the residents that came down to the Legislature to have their specific questions asked and their concerns heard.

I have always said that when I'm a minister – and I'm quite confident that I will be someday – I will always meet with Albertans that are here to have their concerns heard. I believe that that is a big part of the responsibility of any minister. I congratulate these two ministers for having done so yesterday, as I did congratulate the current Minister of Employment, Immigration and Industry when she met as the health minister with people that were here to complain about the third way. It's important that they do so.

However, there is always a proviso, and there is here too. The Minister of Municipal Affairs and Housing accused us today of grandstanding because we wanted the media in the room. We didn't see, in the case of a government who claims to be open and accountable, why the media shouldn't be there to hear these individual residents when they're telling their stories. The other day he accused us of grandstanding when we brought these people into the House. So I'm not sure what he wants. First he doesn't believe the stories, so we bring them in the House; then we're grandstanding. Then they meet with the media, and that's grandstanding. So I'm not sure what he wants, but I do commend him for at least having taken the time to meet with them.

Mr. Speaker, I would submit that, unfortunately, in some cases the ministers just don't get it. They're out of touch with what's really happening in this province. As an example, the Minister of Employ-

ment, Immigration and Industry this afternoon came out, in response to opposition parties bringing in real-life cases into the Assembly, and cited some cases without naming any names. So I'm assuming they're real-life cases. She cited some cases of stories where her department has helped Albertans that desperately needed some assistance. Good on her. I would expect that she would have those instances and many more to share with this Assembly. In fact, I would suggest that if the minister didn't have those success stories, she wouldn't have been doing her job. This is what the department is there to do, and I fully expect that there would be many hundreds, if not thousands, of cases that she could cite where the system has worked.

The whole point is that there are still many, many instances where it's not working. You can't just talk about where it works. We have to look at where the problems are and make sure that Bill 34, for example, addresses where the problems are. As we've heard this afternoon from several speakers, there's not a lot of confidence on this side of the House that Bill 34 is going to address the specific problems that we've been hearing about day after day this week in the Legislature.

The Minister of Municipal Affairs and Housing, Mr. Speaker, continues to trot out the \$285 million in additional funding. Believe me, the people that are desperate, the people that were up in the committee room this afternoon meeting with his staff are thankful for that. There's no question. But it's not about the dollar figure. It could be \$485 million. It could be \$685 million. If it doesn't help the people that need help today, the numbers really are meaningless, and I think the minister referenced that in his response to one of the questions this afternoon. It's really about the people, and I think everybody in this Assembly understands that. I hope we do. If we don't, then we're here for the wrong reasons. It's about those individual instances, and one person – one person – that is forced out of their home because of this out-of-control market is one too many. So it's not about the \$285 million. I appreciate that initiative, as do others, but that's not what it's about. It's about the people.

Mr. Speaker, I would submit to you that from the moment that the Affordable Housing Task Force made their presentation to the minister, this government has dropped the ball, has bungled this entire file. I really and truly believe that. The first problem, as has been outlined by our shadow minister for Municipal Affairs and Housing, as has been outlined by the Member for Edmonton-Glenora, who sat on the task force, is that when the housing task force made those recommendations to the minister, it was meant to be a package. Included in that package were temporary rent guidelines, yes, but there were 50 recommendations in that package. It was felt by the members of that task force, including the chair of the task force who comes from the government side, that those recommendations had to be adopted as a package, that that is how they would be most effective in addressing the crisis situation that we're experiencing in this province right now.

That didn't happen. As we know, they adopted 12 out of 50 recommendations; 38, or 76 per cent, of the recommendations of their own task force were left on the sidelines. It's just not good enough in terms of taking a comprehensive package and addressing this situation.

Next, we had the government's response to the task force recommendations trotted out a couple of weeks ago, and it created even more chaos in the market, as we saw. Clearly, landlords did not understand what the rules were that they were working under. They didn't understand what their responsibilities were to their tenants under the proposed regulations. That's why we saw dramatic rental increases, condo conversions, major renovations all being announced within hours or days of the legislation being announced

in a press release and of the government's response to the task force recommendations coming out. Clearly, landlords did not fully understand the implications of this press release of the government's response to the task force recommendations.

It's not entirely the landlords' fault. They're left wondering: what the heck are the rules? They feel – and I have heard from many of them, and I'm sure the government members have and the ministers have heard from many landlords as well – as if the rules were changed in the middle of the game. That's a very difficult situation for a landlord to be in. I'm not a landlord currently, but I have been a commercial landlord in the past, and I know that you like to know what rules you're operating under. Whether it's accurate or not, Mr. Minister, they do feel as if the rules were changed in the middle of the game, as if the rug was pulled out from underneath them. So that is a real problem for landlords.

Now tenants, I don't have to tell you, are panicking. Across this province tenants are panicking with these most recent announcements.

An Hon. Member: You're scaring them.

Mr. R. Miller: No, I don't believe we're scaring them. Somebody across the way says that we're scaring them. They're scared. The government has scared them. Their landlords, in some cases, in a few cases – I'm going to talk about the greedy few in a minute. In some cases the greedy few have certainly put the scare into their tenants. I don't believe it's at all accurate, Mr. Speaker, to suggest that the opposition is scaring people. The opposition is doing its job as an opposition, which is bringing to light the issue, making sure that the government is aware of what's happening.

As far as I can recall in the last several days, we have yet to hear a member from the governing side ask a question on rent controls. That's astounding to me. They have, I think, 20 members or 19 members from the city of Calgary. Nobody's asked a question on rent controls. We've got instances of \$1,000 rent increases in Calgary, and not one member from this government has asked a question on rent controls.

4:20

We've got three members of the Alberta Legislature that represent Edmonton ridings. No questions about rent controls. Is it just that the Albertans that are experiencing dramatic rent increases happen to live in opposition members' ridings, and if they're lucky enough to live in a riding that's represented by a government member, they don't have that happening? I don't think so, Mr. Speaker, but certainly their side is not getting up and representing their constituents.

The minister the other day accused one of our members, the Member for Calgary-Varsity, of not representing his constituents. I haven't heard a lot of representation coming from the government members of their constituents that are facing dramatic rent increases.

The other point I'd like to make. Mr. Speaker, you'll know that the Official Opposition has sponsored a petition urging the government to look at a series of measures, some of which are included in Bill 34 and others which are not, to address this situation, and I have found, personally, going around asking people to sign this petition, that there are people who are afraid to put their name on a petition urging the government to take action. Why? Because, as you know, if they sign a petition, their name does become part of the public record, and they are fearful that they will face repercussions. This is absolutely accurate. I find it astounding that members across the way don't believe that this is true, but I have had people tell me flat out that they are afraid to put their name to a petition because they

are afraid of facing repercussions from their landlord if they do so. That is a fact.

I think it's frightful that in our province today there is that much fear in people, that they are so desperate to hang on to whatever housing they've got now that they dare not sign a petition asking their government to take action on this crisis because they're fearful that they might lose their home. That's how bad it's gotten, Mr. Speaker.

I mentioned the greedy few. Perhaps the biggest single problem with Bill 34 is that it does absolutely nothing – and I have yet to hear any solution offered by the government – to address the situation of the few greedy landlords who are gouging. I shouldn't say that there's been nothing. There was some intimation that perhaps the Minister of Municipal Affairs and Housing would speak to them. Now, I don't know if that means he's going to put on his dark sunglasses and carry a baseball bat and speak to them or if he's going to call them into his office and have tea and crumpets. I don't know. What I do know is that it's not in legislation, and it's not going to change the fact that some landlords are gouging.

It's been suggested – and I believe it's true – that some landlords are taking advantage of the fact that they know that this government is going to have to step in and address the situations of the 75- and 80-year-old grandmothers that are getting 100 per cent and 200 per cent and 300 per cent rent increases. They know that they're going to have to address that situation, so some of these landlords, I'm guessing, are actually thinking that they're going to get away with that increase because somebody's going to have to step in and make sure that that grandmother doesn't lose her home, and it's probably going to be the taxpayers. So I have no doubt in my mind that there are a few, a greedy few, that are taking advantage of that.

There's been nothing said by this government yet other than for, as I said, a talking from the minister to say how Bill 34 is going to stop that from happening. Sure, Bill 34 contemplates some time periods and extending some time periods. That doesn't mean – as an example, a \$1,000 rent increase – that that person isn't going to get a \$1,000 rent increase down the road. I've got some specific examples that I would like to cite. I hope I have time, Mr. Speaker, to cite some specific examples.

There's nothing in this bill that will deal with that, and if the answer isn't rent controls, Mr. Minister, okay, fine. But then please tell us: what is the answer? What are we going to do to make sure that people don't gouge their tenants? There's been nothing said yet that's going to protect people from that.

Now, one of the solutions that the government continues to trot out is: "We're going to let the market prevail. We believe in a free-market system. We must let the market prevail." Well, I'm here to submit to you that I believe the market will prevail. It always does. Anybody who studies economics knows that markets prevail. That's what they do, no question.

The problem is, Mr. Speaker: how long will it take? What happens to those that are most vulnerable while you're waiting for the market to prevail? How many people in this province are you going to allow to be hurt while we wait for this market that is out of control to correct itself? How badly are you going to let them get hurt while we wait for this market to correct itself? The other thing we all know, because many of us have experienced it in the early '80s, is that when you allow a market that's out of control to correct itself . . .

The Deputy Speaker: Hon. members, under Standing Order 29(2)(a). Does anyone wish to speak? The hon. member for Edmonton-Decore.

An Hon. Member: Oh, this could be good.

Mr. Bonko: Stand by.

Thank you, Mr. Speaker. The member alluded to specific examples, but he did not cite them, so I would like him to give those specific examples.

The Deputy Speaker: Before I allow that, I have another member that has a question. Then, at this time he can respond.

Mr. Snelgrove: Two briefly. One, the hon. member suggested that we were changing the rules in the middle of the game by putting in . . .

Mr. R. Miller: I suggested that landlords feel like it.

Mr. Snelgrove: That's right, and they might. So my question would be: what on earth, then, would rent controls be if they weren't changing the rules in the middle of the game? Two, he suggested that they only accepted a certain number of regulations or recommendations of the report. Could he tell us how many of the recommendations were rejected because they were either already done or in progress?

The Deputy Speaker: Does the hon. member wish to respond to both?

Mr. R. Miller: Well, thank you, Mr. Speaker. What I suggested was that many of the landlords who have contacted me have suggested that they feel as if this government changed the rules in the middle of the game. I never said that that was the case. I said that they feel as if that's what happened. I do believe that when you read the government press release, it was not clear in pointing out to landlords that the one increase per year in rent was retroactive to 12 months prior to April 24, 2007. That, I believe, is quite evident from what we saw in the hours and days following the government's press release where many landlords who had already given an increase in the last 12 months were dumping big increases on their tenants. Clearly, they didn't understand that they were not allowed to do that. That was not made clear in the government's press release.

I've asked several times in this House: what are you guys doing now to make sure that these people who are confused – and there's chaos out there. It continues today. I continue to get examples in my office today of landlords that do not fully understand the rules.

Mr. Snelgrove: Well, then let's get it passed.

Mr. R. Miller: Absolutely. The minister suggests that we should get it passed, and it is our intention to pass that bill today. The bill absolutely does . . .

An Hon. Member: Thank you. I totally agree.

Mr. R. Miller: Okay. Well, we might not get it done today, but certainly our intention is not to hold up the bill, Mr. Minister, if that's your point.

Mr. Speaker, there were other questions, and I would like to answer them.

Mr. Bonko: Do you want me to re-ask the question?

Mr. R. Miller: Yes.

The Deputy Speaker: Did you want to respond to the hon. Member for Edmonton-Decore's question, or do you want him to ask it again?

Mr. Bonko: Under 29(2)(a) did you want me to ask the question again?

The Deputy Speaker: Go ahead.

Mr. Bonko: The Member for Edmonton-Rutherford was going to quote specific examples within his constituency. He has not done that yet.

The Deputy Speaker: The hon. member.

Mr. R. Miller: Thank you. I'll try to be really brief because I'm sure I don't have much time. I had a gentleman in my office on Monday afternoon, Mr. Speaker, Mr. David Scott. His 93-year-old mother is living in an independent-living building. She does have some savings – and I asked this question the other day – but her rent is exactly 100 per cent of the income that she has from her savings. One hundred per cent of every penny that this lady is making is being used to pay her rent. So the question that David wanted to know is: what assistance is there for renters? The government always says, you know, if it's more than 30 per cent of your income, then there's some sort of assistance. There are all sorts of examples of people like this who have assets, so as a result of that they've got income from their assets. In this lady's case the rent is taking up 100 per cent of her income.

I had a lady in the public gallery today, Dianne Raymer, who had a \$100 increase in December, so under this legislation, when it's passed, her next increase will be in December of this year. She believes the next increase will be the one she can no longer absorb. She's on a fixed income. She has, you know, issues that are facing her. What income she does have certainly doesn't keep up to increases in rent and hikes in gas and food and car insurance and so forth. She believes that the next one will be the one that puts her out.

4:30

Mr. Speaker, a dramatic example that I first raised in this Legislature last Thursday: a gentleman who lives in Yellowbird House. His name is Mohamed Deria. He was given a notice on the 30th of April that his rent would increase from \$710 to \$1,195, an increase of 68 per cent. Now, we know that when this legislation passes, that will actually be deferred two months. Instead of August 1, now it will be October 1 because he signed his lease in October. So there's two months' protection there for him, but at that point his rent will jump 68 per cent. My question to the minister is simply: what is gouging? Is it 68 per cent? Is it a thousand dollars? Where do we draw the line and say: that's gouging?

The Deputy Speaker: Back on the debate, the hon. Member for Edmonton-Calder.

Mr. Eggen: Well, thanks, Mr. Speaker. I rise with a great deal of interest to speak on Bill 34 here this afternoon. You know, this bill certainly has an interesting sort of framework. It does move towards some of the things that need to be done in regard to this housing crisis that we're seeing here in the province of Alberta right now, but it stops short of having the clincher, the argument that would actually make accommodation more affordable and make the rest of the framework function as it's described here in Bill 34 as well.

Of course, having to limit increases to rents to once a year and forcing landlords to give one year's notice before condo conversions are fine steps that we do need to take here in the province, but if you don't have a limitation to rein in the out-of-control rent increases that are taking place, then these two provisions actually function to make rental accommodation even more expensive and to make condo conversions even more of a distortion and a liability to the people who are living in rental accommodations or trying to buy condo accommodations.

Without the rent guidelines to put things back onto the rails, these two provisions as they stand alone here in Bill 34 are actually serving to exacerbate the problem. Unfortunately, we were expecting something more. Perhaps during the course of the afternoon and evening we certainly have the opportunity to create more and to perhaps put this thing back on track. I know that there are people who are sympathetic toward some temporary rent guidelines on all sides of this House, and certainly the vast majority of Albertans are onside with the idea. So, you know, perhaps lightning will strike or a miracle will rain down, cooler heads will prevail, and in fact we can during the course of this afternoon and evening come to some resolution or to some compromise solution on this. But as it stands, as a piece of legislation on its own it's not functioning, it's nonfunctional, and as I said before, it in fact would exacerbate the problem, Mr. Speaker.

You know, it's interesting. When we had that all-party housing task force, the recommendation that came out from all quarters, all different parts of the province and certainly ran to agreement in a very interesting group that was the composition of the Affordable Housing Task Force was that, you know, the rent increase guidelines should be temporary so that the housing market can in fact stabilize. I think that's probably the most reasonable thing we could possibly come up with if we were trying to solve something on a microlevel. But here on a macrolevel suddenly different elements of ideology or sort of, I would say, entrenched special interests are a big factor in distorting this argument, entrenched special interests for people to have that default right to change the rents or their rental rates as they wish.

You know, that's not unreasonable, I suppose, as a parlor game argument to make, but we're talking about tens of thousands of people that are in a crisis situation across the province here with undue rental increases or having that undue rental increase hanging over their heads, made worse, probably, by this being entrenched into law. Then you'll see a whole wave of these rental increases. Then I think we have to go beyond that and look at realities and come to a compromise solution that works in the best interests of everybody. Certainly, if we're putting in some moderate rent guidelines, let's say the consumer price index plus 2 per cent – this is what the Alberta New Democrats are suggesting and, I think, pretty much what the Affordable Housing Task Force recommended as well. Is that correct?

Dr. Pannu: Exactly.

Mr. Egen: Yes. The member right here has first-hand knowledge. Very good.

You know, that's not to say that that's the only increase you can have. Certainly, in looking at rent guidelines around different parts of the country or around the world, you can make special application to exceed that amount. Let's say that you need to put in new elevators or the roof blows off or what have you. You can make application for that increase, and probably the tenants understand that since they actually use the building as well, and away you go.

So it's not as though we're putting people in an untenable

situation in regard to running their businesses. Certainly, that's the last thing you would want because, of course, you want the rental market to keep on its merry way. You know, it's interesting. This is probably, I find, the most annoying part of this argument that we've been having over the past days and weeks here: that rent controls or rent guidelines or whatever will stifle the market from building new units. That's just simply not true. We can look for examples around the world where not just a city grows up but a whole society starts to move into, you know, sort of the industrialized, urbanized culture.

Then, of course, people are moving into the cities. You have cities of more than a million. It's much more the rule than the exception in a modern western industrialized country that you have some rent guidelines because people need to live in the densified urban centre. You can't just force people out and have a city of millionaires or billionaires. You have to have all of the other service industries that make a city function, and they have to be living in reasonable proximity to where they're working. That makes for a good mix of urban centre and for a healthy community, and it's just a reality as well.

You know, to say that rent guidelines are like the sky falling and that the Earth will stop turning – I mean, it's just utter nonsense. I defy anybody to show me examples of how rent controls over a period of time have in fact stifled the building of rental accommodations. I can look no further than just outside the door here to see that rental accommodations have not been built here in the city of Edmonton or in the city of Calgary over the last 10 or 15 or 20 years to keep up to the population increase at all, with no rent controls. In fact, who's to say, but I would venture to say that after the last boom, which I did see function as well, that we had here in this city and across this province, lots of rental accommodation was built.

I get this feeling that somebody has talked and said: "Look, let's not do that again. This time when it does increase, we can all rise up, and hopefully the government won't have the backbone to put in rent guidelines, and we can all make a lot of money." That's what's happening now.

You know, we look at this information that we saw from Boardwalk here and lots of other rental companies. Certainly, we don't begrudge them the right to make money for their shareholders and to increase their market share and their value and all of those things, but we are the people who have to provide the regulation side over a long period of time. They are in fact looking for us to provide that regulation side. They know that that regulation side is going to come down, so you see this explosion of rental increases.

You know, with Boardwalk saying, "We can move up to 50 per cent of the income of our average renter, and we can move our rents up to \$1,600 a month" and all of these things, sure, that's what they see because they see that opportunity. The door is left open, so to speak. It's our job to make sure that people are not getting gouged, that we can function on all levels of the economy here in this province and not just have it functioning for the fortunate few who can profit from this distorted situation. For a good, balanced society everyone has a right to have a roof over their heads, to have a safe and secure place to live, and this current situation is putting thousands of people in jeopardy of not having that basic right. So as members of this provincial Legislature I think it's incumbent upon us as a responsibility to ensure that we stabilize the situation.

I mean, we're not going to put on draconian measures. You know, we might have to, mind you, if we don't start dealing with this properly. But we can certainly simply put in reasonable guidelines: CPI, the consumer price index, plus 2 per cent. It's like 7.5 per cent a year. If people want to make application to exceed that, certainly they're welcome to do so. It's not like we're setting up something

that's going to destroy the rental market. The rental market is not functioning here anyway. Let's try something different. Maybe people will start to build when they see a long-term, stable situation being put in place by a responsible government here in the provincial Legislature. We can do that here this afternoon.

4:40

You know, there are lots of examples I have here. Ontario has had some rental increase guidelines for the last 15 years or so – certainly, we don't necessarily need to have it for 15 years – but investment in new apartments in the province of Ontario increased by 88 per cent since the year 2000. Alberta, with no rental increase guidelines, has seen a drop in new rentals by 52 per cent. I mean, what more do you possibly want in terms of statistics proving that anything can happen?

Certainly, you can have a decrease with rent controls, too, I suppose, but we're going to put in other provisions to make sure that that doesn't happen. We can encourage builders to build new rental units. We can encourage new families to buy condos and to buy their own homes because that is a basic foundation that we believe in, I think, on all sides of this House: that people are not just entitled to a place to live but that it increases the stability of the society to allow people to get that first mortgage and make an investment into the ownership market. So there's just a whole basket of possibilities that we could work with here, but we need to stabilize the rental situation in this province, and we owe it to each of our constituents that are in a tight spot at this juncture.

The other part of Bill 34 that I don't hear a lot of people talking about is this condo conversion issue. In 2006 a thousand rental units were converted to condos in Calgary and in Edmonton a similar number, we found, last year. When a rental unit is converted into a condo and then rented out again, which is often the case because people are buying these as equity investments – right? – the average increase in rent is 30 per cent or more because of people trying to recover their costs. So without rent increase guidelines, without limiting the percentage, in other words, by which the landlords can raise the rent in an annual increase, the status quo or worse will prevail, Mr. Speaker. Unscrupulous landlords will use the annual rental increase to gouge renters, and we'll continue to see increases that are unaffordable for the renters that are there.

The logic of this bill is that if it does not include limits on the rate at which the landlord can increase their rents, a one-year notice period on condo conversions with a prohibition on rent increases in the period is in line with the recommendations of the Affordable Housing Task Force and, in fact, Mr. Speaker, is in line with probably trying to stabilize the situation somehow.

This housing crisis is a symptom, Mr. Speaker, of an overheated economy and the inability or the lack of stomach, I suppose, on the part of the government to make some moderations to that overheated economy. People are starting to see this as a housing issue, but then it also becomes a development issue. It becomes a development issue and an industrialization issue. We all want the very best. We want to use the resources that we have at our disposal to serve the population in the best way possible and in the most equitable way possible, I would say, as well and with basic responsibilities in regard to social justice and in regard to the environment.

This is just symptomatic, Mr. Speaker, of the larger problem of dealing with the pace of development in this province. I know that people don't want to touch the brake and away we go and let's see, a no-tomorrow sort of attitude, but when you're living with that no-tomorrow sort of attitude, you start to see pieces fall off. This is one of the biggest pieces that I've seen fall off in this time that I've been in the Legislature, and it's the one that really does make me realize

that we have to in fact have some moderation on the pace of growth in this province of Alberta because this will only be one thing.

The next thing we'll see is inflation, rampant inflation for people to try to pay for these rents, people having to get second jobs. You'll have an increase – already we see it, but just wait – in prices on consumer goods like food and on fuel and a whole range of other things. What you end up with, Mr. Speaker, is runaway inflation, and nobody wants that. It doesn't help anybody. It only creates the spiral that will turn a boom into a bust, and, you know, I don't think any of us wants to see that. We want to see proper, maintained rates of growth over a long period of time, and that's exactly the opposite direction that we're going here right now. This is a symptom of a spiral in the pace of development. It's hurting thousands of people across the province. Bill 34 starts out so great. You know, it's like buying that book that you read about, that you've been hoping for and looking forward to, and then, boom, it finishes four chapters before it should have done. The part where you have to have rent guidelines, CPI plus 2 per cent: the Alberta New Democrats support that, the Affordable Housing Task Force supports that, and I would say, Mr. Speaker, that the majority of the population of Alberta supports that too.

Thank you.

The Deputy Speaker: Under Standing Order 29(2)(a). The hon. President of the Treasury Board.

Mr. Snelgrove: Just a brief question. The hon. member is obviously comfortable with reaching into the landlords' pockets and rolling back their rents and taking the money from them. If it were shown clearly that one of the biggest impediments to affordable housing was the cost of the tradesmen that are building these units, would the hon. member also support going back to the trades and saying: you're going to have to roll back your salaries to help us look after the housing problem?

Mr. Eggen: Well, no. I thank you for that. I appreciate it. I've actually heard this argument before as well. You know, it's not a question of us reaching in and rolling back the landlords' money but, rather, simply looking for a compromise place where we can stabilize the price. Okay? When you're building new units, all of the problems associated with building in this province are going to be there when we try to build new affordable housing units too. I'm under no illusions. I mean, it's great that we have that new money for affordable housing, but we all know how much longer than we think a project is going to take it actually does take in this overheated economy. Right? So when you're talking about the new units coming online and the cost of those things, that adds to the urgency of the whole situation.

So, you know, you're not taking money from the landlords when you're doing this, certainly. You're just moderating the whole thing so that you can in fact create an atmosphere where you can build new units. A big part of the cost of doing business is the labour associated with building these new housing units. That's part of what we're going to have to swallow too.

I understand what you're saying, but they're two separate things following on a parallel track.

Mr. Snelgrove: Mr. Speaker, I've got to tell you that it's a lot more fun asking questions than answering. It really is.

You would support price control. What conditions would it take for you to support wage control?

Mr. Eggen: Well, certainly when you've got wage and price control

going on, I mean, that's the worst possible scenario. The last time we saw that, you know, it was an unfortunate thing. When you're putting in a price guideline on one specific commodity, it's a whole different ball game than the wage and price controls that the Liberals brought in back in the late '70s, I believe. Right? That was detrimental to everybody. I would never want to see that.

When you're putting a price guideline on a single commodity, that's a whole different game. Okay? When somebody wants to build some new places or you're expanding or you're doing renovations or whatever, we're not writing this in stone. We're not saying: "Oh, okay. Sorry. You can't fix the roof. You can't put another 50 units on the back or what have you because you're only allowed the 7.5." Under rent guidelines you can apply for an exception, and it's not such a big deal. Right? I mean, you're making people in poverty apply, have to beg and say: please, sir, we can't afford our rents. I mean, there's nothing wrong with making a simple application on the landlord's side. If they want to increase the rent a little bit or increase their rent beyond the guidelines to pay for trade costs or whatever, that's not a problem.

So we're not advocating a broad-based control over the economy. I mean, nobody wants that. A single commodity, which happens to be the most important commodity that people need, which is a house over your head – stabilize the situation. Let's move on from there. Everybody is happy.

Mr. Snelgrove: This is just so much fun.

Under any conditions we're only going to look after this one control, rental housing. Good deal. Would the hon. member consider ever putting controls on the energy sector?

4:50

Mr. Eggen: Well, I mean, it seems a bit vague. You have a market that deals with the energy sector, right, in the broadest possible way. We have the application process, the EUB, a very finely tuned system, which could use a little bit of help – but that's okay – which moderates the energy sector, and we have a royalty regime and a rate that also has an effect on the energy sector, plus the myriad of other taxes, including gasoline tax and whatnot, that we put on. I mean, all of those things are in place. I think they're all fine mechanisms by which we help to deliver energy at the affordable price and money for the province. That's what you do.

Mr. Webber: Mr. Speaker, I'm pleased to rise today in second reading of Bill 34. I just want to say a few things that I haven't had the opportunity to say before because of the fact that nobody's ever asked me. What I say that nobody's ever asked me, I'm referring to the media and the fact that ever since this report has been distributed out to the government and released, I've never been asked by the media any questions at all whatsoever.

Hon. Member for Edmonton-Beverly-Clareview, it's been a pleasure to work with you on this task force along with the hon. Member for Edmonton-Glenora, along with all the other 14 task members. They were wonderful people, hard-working people, and they truly wanted to do something good with this report. Again I just want to go back to the fact that I have never been asked, and I wonder why. The hon. Member for Edmonton-Beverly-Clareview stole all the thunder, so I'm here today now to take some of that back.

I first want to say that, yes, I chaired this committee, the Affordable Housing Task Force committee. Yes, I did. I chaired it, and again I want to say that the members on this committee were wonderful people to work with, but we had some differences of opinion. We had some different thoughts, a lot of debate, a lot of

arguments on certain recommendations. A number of people didn't agree with some recommendations. Others did. It came down to a vote around the table.

When we travelled around the province, Mr. Speaker, we heard from a lot of people, a lot of people from Hinton to Lethbridge, Medicine Hat to Elk Point, and a lot of these individuals that we met with suggested that rent control is the way to go. We heard from people on AISH, seniors on fixed incomes, and low-income individuals. A number of them indicated that rent controls were the way to go.

Also, Mr. Speaker, we did hear from a lot of individuals, a lot of organizations who thought otherwise, who thought rent control was not the way to go. Land developers indicated to us that if there was any type of rent control in place, basically that would halt all further development. I know that the opposition members will say to me: well, there is no development right now, so what difference is this going to make? I would say that, yes, there is no development right now, and there hasn't been for a while, but I think that the government has to provide other incentives for land developers to build low and affordable housing units.

Rent control is not the answer, Mr. Speaker. History indicates this, and this was something that I did produce during our task force consultations. But, again, we had the vote on the recommendations, and of course the hon. member from across the way and other individuals on the task force who thought the same way were in the majority. So that's why it made it into the recommendations of the report.

Now, I continually hear, and I have heard throughout the past few weeks since the report was released, from the opposition that this is what the task force indicated, that this is what they said, that this is what we've got to do. That's true; that's what it said in the report, Mr. Speaker, but again it was not the majority of the task force members, and I just wanted to make that clear to you.

An Hon. Member: It was the majority.

Mr. Webber: It was the majority. Yes. Absolutely, Mr. Speaker. It was the majority. That's why it made it into the report.

Mr. Speaker, I'm pleased with Bill 34 and the amendments that are going through with this bill. There was certainly a lot of talk about condo conversions and the moratorium on condo conversions for a year also with the task force. That was another area that we had difficulty with. When I say "we," I mean myself as the chair. But I can live with that. I can live with what our government is putting forth in Bill 34 on the condo conversions along with the rent stability guideline of one increase per year. I, again, struggle with that myself, but I can live with it.

So, Mr. Speaker, I'd just like to say that I support Bill 34 and the amendments to it. Thank you. [some applause]

The Deputy Speaker: Hon. members, any questions or comments under Standing Order 29(2)(a)?

Seeing none, the hon. Member for Edmonton-Beverly-Clareview on the debate.

Mr. Martin: You're going to give me a standing ovation, too, are you? Mr. Speaker, the only time that I can remember getting an ovation is when I came in and walked in for the first time. I never had that experience in the Legislature, and probably you'll never get it again.

An Hon. Member: You've got to retire sometime.

Mr. Martin: It's like Ed Broadbent said: there's nothing so popular as a socialist that's retiring.

Mr. Speaker, I'd like to make a few comments about Bill 34. I want to first of all say to the chairman of the task force: it was a pleasure to work with you. He was a great chairman. He allowed everybody to have their say. We couldn't have asked a person to do a better job as the chairman of that task force. I also want to say, as the hon. member from Foothills did say, that the task force was dedicated. They worked hard, and there was a lot of discussion.

We were all over the province. I want to come to what I think we all agree we heard across the province: the fact that we're in a crisis situation. We heard that right from Grande Prairie to Fort McMurray to Edmonton, Calgary, Lethbridge, Medicine Hat, everywhere we went. I was surprised, frankly, that the problems were as severe as they were in southern Alberta. We hear about northern Alberta all the time, but when we went down there, we saw the same sorts of problems, and there was a crisis.

We were told in Medicine Hat, for example, Mr. Speaker, that eventually the population of Alberta – the mayor said that the economic development department told them that in the next number of years the population was going to be double, 6 million people. Now, I don't know how we'll ever keep up with that pace if that's the case. Now, that's just speculation, admittedly, but we know the amount of people coming into the province. I would suggest that Calgary has different figures than even the 100,000. They say 97,000 people came into Calgary last year. So I don't know. There's a lot of people coming in.

The point I want to make and stress is that it is a crisis situation. It's not only true in housing. It's true in health care. It's true in education. It's true everywhere. But it's the government's economic strategy that's saying: okay, we're not going to put the foot on the brakes; therefore, we're going to move ahead. So for at least the foreseeable future we're going to be facing these same sorts of problems. That's what the task force heard.

Now, admittedly, last summer I was advocating rent guidelines when we started to hear the stories out of Calgary that in the short run we need them. I understand the market, having worked in the private sector for a number of years. The market works well when there is a market, but when there is not a market, it doesn't work very well. That's the point. The point is, Mr. Speaker, that we heard from people.

5:00

Sure, the hon. Member for Calgary-Foothills is right. Boardwalk came and quoted Milton Friedman and a bunch of supply-side economists, and that was supposed to impress us. The Calgary Apartment Association came and said that they didn't want rent controls. Well, if I was them, I probably wouldn't want them either. But the vast majority of people came to the public hearings, and they said: "Look. We're in an emergency situation. Something has to be done." This is not new, what we're hearing here in the Legislature just in the last couple weeks. We were hearing this right across the province. I think it started in Fort McMurray, and certainly, now, Calgary and Edmonton, it's the same sort of thing. People are under stress. They're worried.

I want to say to the hon. President of the Treasury Board, who is sponsoring the bill: it's not only the people that are the most vulnerable, the people on fixed incomes. There are growing numbers of people that are what I would call the working class or middle class or whatever that are also very worried because they see the possibility that they're not going to be able to afford to buy a house, yet there's no control on how fast the rents are going to rise for them. So it's not just the most vulnerable. That's bad enough, but there's a growing situation out there, and I'll come back to that.

Now, I want to say that I told the hon. Member for Calgary-Foothills, and I did tell the minister of municipal affairs: do the right thing. It will be easier for you people if you do the right thing. Ultimately, I accept that the government has to make decisions. I don't think they've made the right ones here, but I understand that they're the government, that for every task force that goes out, they don't necessarily have to accept every recommendation. That goes without saying. But what I said to them both at the time – and I think the Member for Calgary-Foothills probably would agree with me – was: "Get this out. Then you guys can at least debate it. It's out there. You can go and talk to your caucus or whatever, but make sure it's out there in the public so that there is that debate." That's what people wanted. There were a lot of expectations on this committee. I think the members opposite would agree with that.

The advantage to that is that it would be out there. People could debate it. They could talk about it. It could come back to the government, and they could make some decisions then. But when it put it behind closed doors, it looks like – and I believe this to be the case – it was so that we could put our political spin on it in case we didn't like some of the recommendations. Well, it didn't work. You know, there are certain key things that people look at. There are a lot of things in the report that are good that have to deal with the other end of it, that people haven't talked about. We knew that there would be certain things that they'd look at.

Now, I want to be fair. The minister talked about it. It was not unanimous to support rent guidelines. I don't think it's any secret that I was pushing it, but I want to say to the member that I wish more government members had been with this. I don't think the majority of the people that started off on that task force would have been for rent guidelines. I'm absolutely sure of that. In fact, I know that one of the members said: "Look. Philosophically, I'm against this, but we were told that we had to go out and listen and to make recommendations from what we heard." He said, "I can't ignore what thousands of people were telling me, that we need temporary rent guidelines." And again I stress temporary because in an ideal market we don't need it. That's where it started.

Yes, it was not unanimous, but it was a big majority that voted for it on that committee. I recollect – and I think I'm right – that it was 10 to five of the 15 people that were there. It was after a thorough debate, you can rest assured. I honestly don't believe at the start of that that it would have been that way, so that was after listening. It's too bad that more of the government members weren't there with us to listen to what was going on.

That's what was somewhat disappointing. I knew that the government would have some difficulty with the ideology. I jokingly call it Adam Smith here, but the reality is that we asked for temporary guidelines. Now, the argument always is – you know, everybody else has alluded to this – that it'll hurt investment. We won't get rental units on. Well, how could it get any worse? But at least we'd be protecting some people that are there from unscrupulous rent increases.

The other argument we hear is that you never get rid of it. Well, the experience that we had back in the first boom is that they did get rid of it. They had it there for a while, and they did get rid of it. As you recall, you may have read in the paper that Councillor Cavanagh was the one that took the rent controls out at that time because they weren't needed. He said that it was easy, very easy. But he also said that now we need them temporarily again. So this idea that you can never get rid of them just doesn't fly in Alberta history. This is not New York City. This is Alberta. Those people that believe that the market can solve everything should have some faith that when the market is there, we can get rid of these things in this province. That's the reality. We can.

This is precisely the CPI plus 2 once a year. That's what is already happening in British Columbia. You know, that's a reasonable profit. You're guaranteed that you can go out and do that every year, CPI plus 2. The point is that rather than a strict control, because I understand that there could be, you know, all sorts of circumstances, labour if you like or whatever, where there costs have just ramped up, they can apply to the board for whatever reason, and that often is passed on. We've talked to them. So they're not just stuck there if they've had extra costs that are driving up the problems, but at least there's some semblance. That, to me, is a pretty good profit, and that's the security. Now, we called for two years. Whether that would be enough time or not, that was a reasonable compromise. We said temporary and the two years, Mr. Speaker.

Now, there's a carrot and the stick here too. If you look at the other parts of the task force, we tried to look at how we get more rental units onto the market. Clearly, if you look at it, we were talking about some tax incentives, if you like, to bring the markets on. Remember, it's been stated before that in B.C. or Ontario new units aren't under controls. It's only the units that are already built, so that's a bogus sort of argument. The reality is, Mr. Speaker, that they can move ahead and build the units, and they won't be under controls. But we have to look at other things. There's no doubt.

A couple of issues that I would like to deal with. Number one, inclusionary zoning. This is working in many parts of the world. There are some examples in Toronto and Montreal, all sorts of examples. Inclusionary zoning says: look, if you're in to build in a subdivision, then you have to put a little bit into rental units so that we don't ghettoize people, and we have it there. You get tax breaks to do that. If you're prepared to do that, we'll give you a good tax break, and that will help your bottom line. I notice the recommendation was that we'll look at it down the way, but that's an important issue. So there's the carrot and the stick there, too, to bring units on.

The other thing we suggested – I was surprised that the government didn't accept this one because there was some experience with mortgage relief for people in the previous boom. We suggested, as the minister would be aware, \$100 million for mortgage subsidies, and that would stimulate the market to get people in. Clearly, they both tie together. We were looking at the continuum, you know, from the homeless right through to young people especially, trying to get into home buying, and it's become very, very difficult to do that. Some sort of mortgage help would get them out of rental units and into their own homes, whether it be condos or whatever, and that would free up some space for the rental units again, creating a little better market. I thought that was one that the government would actually accept. I was surprised when they didn't. I think that that would have had a very stimulating impact in terms of getting some of the units on board.

5:10

Mr. Speaker, last night I was at a function in my own riding. The city of Edmonton is trying, as the government is aware, an innovative project with the school boards and the government and the city to try to get first-time home buyers into some of the vacant school areas that have not been used. In my community – and I'm very proud of them – the Homesteader community said: "We don't like the way that it was brought to us. We didn't know about it. We want to be involved. We'll do it, but we want to be involved." So the meeting was there with Mayor Mandel and the councillors, and I attended.

One of the stories that came forward was from a couple. They were both young working professionals. He said: you know, I'm really excited about this project because the city of Edmonton is going to, as the minister is well aware . . . [Mr. Martin's speaking time expired] Sorry. I'll come back another time.

The Deputy Speaker: Under Standing Order 29(2)(a) does anyone wish to add any questions or comments? The hon. Member for Lethbridge-East.

Ms Pastoor: Yes. I would very much like the last hon. member to perhaps elaborate on that last point that he was making.

Mr. Martin: I love this. I feel like I'm a minister here.

Thank you. I'd be glad to. This is a young couple, both professionals. All this person was saying is: "I'm excited about this project. How do I get into it?" The mortgage subsidy was going to bring it down to where he might be able to qualify. He says: "Without this I have no chance of owning a condo, a house, anything. I've been looking around. I make a good salary. I tell you honestly that if I can't do this, I have to look to Saskatchewan or somewhere else."

The point that the mayor said at the time is that that's exactly the people we can't afford to lose, that whole group of teachers, nurses, in that area. I think that that's another important part of this affordable housing. That's why I was surprised that we didn't look at that end of it with the mortgage subsidies for five years or whatever, which it is with Edmonton. There are controls on that. So I think that would've been some help with the rental units too.

Thank you for that chance, hon. member.

The Deputy Speaker: Are there others?

Seeing none, back on the debate. The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you, Mr. Speaker. It's my honour to speak to Bill 34, Tenancies Statutes Amendment Act, 2007. We have had much discussion throughout this past week particularly as this crisis has come to a head. All of us care deeply about this amendment. Many of us have friends and family members who have been affected by the explosive growth in the province.

I would have to begin by making some general comments about the changes in the province and how they reflect failure on a couple of levels. The housing crisis is a symptom of failure of the market, on the one hand, to protect people and on another level the failure of government to balance growth, to manage growth in the province, looking at the economy in the context of a sustainable environment and social support systems.

I guess the key operating phrase is sustainability. When we talk about sustainability, what indicators are we using to establish whether we are making decisions that are not compromising the future, that are ensuring that infrastructure is in place to deal with growth as it's happening, that we attend to the social supports that people need, and indeed that we have comprehensive, cumulative environmental assessments to know what we're getting into and make judicious decisions to limit growth where it is appropriate?

It's very clear that the role of governance is more than simply opening up the market to do what it does best, which is to produce and to develop. Governance involves the hard work of analysis, looking at trends, looking at prices, looking at options, looking at the scope and pace of how we want this province to develop, and this has not been done. It has been absolute failure and negligence, I would argue, in terms of a tremendous resource-based economy that has only been going one way in the past decade.

There's a need, then, for a larger plan, for good science, and for a recognition that the public interest should determine how and how fast we develop, not the market, and a plea for a longer term vision, a longer term plan, and a recognition, especially now with climate change crashing in on us, that we have to balance the market with

more sustainability indicators around social, infrastructure, and environmental values.

I acknowledge many good parts of the bill and some changes that have already been made that will over time bring about some remediation of a very unfortunate situation, where so many people, especially disadvantaged people but even middle-class people and, certainly, seniors on fixed income, are in a serious emotional as well as economic crisis as the result of unpredictable and unsustainable rent changes and, in fact, rent gouging.

That seems to be the key issue that we're dealing with in a market that's gone awry. It's puzzling a bit to me that the government doesn't mind intervening in some ways in the market, including limiting to a once per year rent increase and limiting development of condo-ization and rent increases associated with a plan to condo-ize, yet they have difficulty making a decision on a similar intervention, which would be a rent cap, and in the short term allowing people to have more security and establish a better balance in our housing and human needs market.

This is a fundamental human need, and when we allow the market to threaten that fundamental human need, we pay hugely in terms of mental health, indeed, physical health issues resulting secondarily from that, social problems. What we fail to do as government then ends up being dumped into the health care system, where I have seen lots of evidence that these kinds of situations are extremely bad for individual and family and community health. So it's a bit puzzling to me why this one issue, capping rent, has created such a furor on the opposite side since other interventions are seen to be reasonable.

The Liberal plan from January 2006 indicated that secondary suites and the promotion of secondary suites would be another key short-term assistance measure. We would also limit rent increases to once per year, but we would add the cap in the short term, that we've talked about so often here, preventing gouging and increasing people's security.

We also talk in our plan about land trusts and ensuring that some public land is set aside each year in a long-term plan to ensure that there is availability for affordable housing. That's something that I haven't seen discussed or seen in the plan under Bill 34.

We would also ensure that the allowances that we're giving to people struggling with affordability would go to the renter rather than to the unit, and that seems to be an area where we're missing some opportunities here.

Another element of our plan is microcredit, where we would provide interest-free loans with a time limit to enable people to do more in terms of home ownership and independence. We would also strengthen the student loan and housing aspect of this crunch, that's hit students as well in a very serious way, that adds tremendously to students who are struggling with classes and independence and all kinds of adjustments in the postsecondary state.

I was puzzled to see the rejection of a housing plan for the province. I'm not sure why this government didn't adopt that recommendation. It seemed like a very reasonable longer term solution. We'd be interested to hear a discussion about why that was not felt to be an appropriate decision for this government and why we would not be indexing funding based on inflation. We do a lot of things on the basis of cost-of-living increases, including our own salaries. Why would we not include an aspect of indexing funding on the basis of inflation for affordable housing as well?

5:20

I haven't heard much discussion of the revisions needed in the Municipal Government Act to allow for more flexible zoning. That seems to me to be another part of the mix, the complex of actions that would help, both in the short term and in the long term, to really turn this situation around.

As the shadow minister on Environment I would also express some dissatisfaction with the rejection of green construction as being part and parcel of new construction. We are saving money in the future with energy costs if we invest now in green construction, more environmentally sustainable and tight buildings.

Another issue for me is the brownfield sites that continue to persist in the province. It's cheap land. If it's reclaimed and remediated, it could be available for affordable housing. Why are we leaving that year after year and decade after decade when this land could be extremely valuable and useful and cheaper than the average land for affordable housing?

Another area that was recommended by the task force, a client-focused service model, was rejected. Again, this doesn't reflect a government that sees a priority in individuals and families and their particularly unique needs in terms of housing. I'm puzzled as to why one would reject that kind of positive policy that focuses on individual needs and family needs. The goal of governance fundamentally is to create healthier, more sustainable communities. Surely we have to look, then, at balancing the market with the interests of individuals, families, and communities.

With those comments, I'll take my seat, and I look forward to further debate. Thank you, Mr. Speaker.

The Deputy Speaker: Does anyone wish to rise under Standing Order 29(2)(a)? The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Speaker. I would like the hon. member to perhaps elaborate on what he would consider green buildings and how that would actually fit in to how we would look at Alberta in the future.

Dr. Swann: Well, thank you for that question. Indeed, climate change has changed everything about the way we have to live our lives and govern this province. We now can no longer sustain the kind of focus on fossil fuels and the squandering of our resources, whether it's water or the use of fossil fuels, to individually drive our way around to various venues and keep lights on and fail to insulate properly.

There are some wonderful examples around the planet of sustainable housing, green housing, that would ensure tight buildings, that would ensure more energy-efficient use, that would have automatic monitors within buildings that turn lights off and on and that adjust the temperature when people are in and out of the building, that would ensure an appropriate mix of renewable energy: solar, microwind, even geothermal, and even the biofuels that will in some ways incent more of our farm community with products that will not only benefit the economy but also benefit the climate change issues that we must be so cognizant of and attending to.

Green buildings and the LEED system have increasingly been adopted by progressive companies, by individuals. Government can play a leading role in moving these forward. Part of our technology fund should be fronting the costs of some of this remarkable energy saving and renewable energy as part of the standard package of building, whether it's new buildings or new housing. There should be a standard package that includes at least gold, if not platinum, LEED environmental design and construction, minimizing our environmental footprint. These are just awaiting government leadership, policies that set a standard for ensuring that we are being responsible stewards, we are thinking about our global responsibility, and whether it's affordable housing or standard housing, we are taking seriously our commitment as a government to provide leadership on climate change issues and reducing carbon in our day-to-day living.

Thank you for the question.

The Deputy Speaker: Are there others?

Mr. Mason: I'd like to ask the hon. Member for Calgary-Mountain View about what would constitute, in his view, a reasonable size of a rent increase in light of current conditions and whether or not he thinks that the current legislation will accomplish that.

The Deputy Speaker: The hon. member.

Dr. Swann: Thank you, Mr. Speaker. A reasonable rent increase I think is an important question for us to discuss. A cost-of-living increase plus something for profit seems to be a reasonable way to think about it. Obviously, people who are going into the business of rental accommodation have to get something to keep themselves going, and surely we have to address the cost-of-living increases.

We gave ourselves a 5 per cent increase this year. Why wouldn't we use that as a basis and add something reasonable for profit, at the same time confronting extraordinary increases that are simply usurious and corrupt, in many ways abusing the market, using the market in ways that will damage our social fabric? Perhaps a 10 per cent maximum one year to the next would be a starting point. I'm interested to hear what others on all sides of the House think is a reasonable rent increase.

Thank you.

The Deputy Speaker: The hon. Minister of Agriculture and Food.

Mr. Groeneveld: Thank you, Mr. Speaker. I was just very curious from what we heard in the House today whether the hon. member thinks that the out-of-town rent allowance is unreasonable.

The Deputy Speaker: The time for Standing Order 29(2)(a) has elapsed.

I'll recognize the hon. Member for Lethbridge-East on the debate.

Ms Pastoor: Thank you, Mr. Speaker. There is obviously a crisis in this province. The market system is a great system to work by. It's something that has built our country, it's built the North American economy, and it's certainly something that we live by in the western world. Part of it is wonderful because it creates huge creativity in the people that are involved in it. Part of that creativity is based on the fact that there is so much competition: we have to look at a better way to build a mousetrap.

The object to make the market system work well, of course, is supply and demand, but that supply and demand really has to be balanced. What I'm looking at right now, I don't see balance. This is what we in this House are supposed to be doing. We are supposed to be governing. We are supposed to be creating rules that will keep that field level that people play on in the market system so that everyone basically has a good chance not only to compete but also to be able to reap the benefits. What kind of a society do we have if we cannot look after the ones that are the most vulnerable in our society?

So that is our job. It is our job to make the rules. It is our job to protect the rules that would ensure that we live in a civil society. I fear that I see some of these going by the wayside. I fear that we're ending up in a society that really is not very civil. It's certainly the survival of the fittest, and the fittest appear to be getting to be a much smaller segment of this population and certainly of the population of Alberta.

5:30

Seniors have worked all of their lives. They have done. They

have played by the rules that the governments have established over these many years. They've paid for their homes. They've educated their children. They have paid their taxes. But, more importantly, what a lot of these seniors have done is put away dollars for their retirement, and now they're finding that over the time not only has inflation eaten up what they thought would be their retirement, but some of the rules have changed so much that they are now at a disadvantage, and it had nothing – nothing – to do with their not playing by the rules.

One of the things that, of course, has affected them is tax assessments, the way the market value changed. Yes, they could sell their homes for a tremendous amount of money, but where are they going to move? It's going to cost them just as much to replace it. One of the things that can't help them stay in their homes is the increase in taxes. They had no idea the taxes would be going up that high, and they simply can't afford it and look to move. They've got nowhere to move.

Many seniors have not had the advantage of working for a company that's had a pension plan, or in fact they didn't work for a union, or in fact they often worked from paycheque to paycheque and still managed to put some money away. But it's not helping them now. People are saying: well, you should have put more money away. That's not fair with what we are trying to download onto our seniors. They did do their best, and there are many people out there that have done their very best. It's not their fault that they didn't work for a company that had a pension plan or that they didn't belong to the union so that they have the advantages of some of the others.

One of the things that I'm concerned about that has been part of the discussion is that I'm not sure I have ever heard a clear definition for the word "gouging," and I believe that the hon. member previous to me perhaps touched on that. What could be considered a fair profit? Of course businesses have to have a fair profit – that's what their mandate is – but what's fair? What's fair in a civil society? And is that where gouging comes in? Anything over and above what would be considered fair: is that gouging? I haven't heard the definition.

Also, we would need a clear definition of what is low income. Some people have very low incomes at this point in time, but because over the last number of years they've saved their money, they actually have assets that are worth money, and that's often held against them, which I think is most unfair.

One of the other solutions that we've talked about is secondary suites, and I think that they're a wonderful idea. I certainly know many people who already have secondary suites. They're rental accommodations. More people are looking to put in secondary suites. I would suspect that because there is no real control, the majority of these are what we would consider illegal suites. They have to have a legal egress, and certainly fire prevention is one of the big criteria. We've been talking about relaxing those rules, and I think it's a wonderful idea.

However, I'm not sure that it's going to create secondary suites that will actually appear in the newspaper. If you have a home with a secondary suite that is illegal, more often than not because you don't have the 220 wiring – you can't really find out if it is a secondary suite. Rather than use a stove, they'll use hotplates and microwaves and toaster ovens. People are getting money, so to speak, under the table, probably not declaring it in their income. So I'm not altogether sure that a lot of these secondary suites will ever surface in terms of actually being able to accommodate people looking for help in that area.

If the rules that were brought in would then help owners with

secondary suites, I think it's a very good idea. However, I've asked a couple of people about secondary suites in their neighbourhood. Now, the average cost of their home was \$400,000. I can assure you that they said: not in my neighbourhood. And I said: "Why not? You've got a monster house here. I know somebody that has a rental unit that's probably the size of your bathroom, so why wouldn't you have a secondary suite?" I think we would certainly run into a lot of the not in my backyard sort of stuff.

Mr. Rodney: NIMBY.

Ms Pastoor: NIMBY. Thank you very much to my hon. knowledgeable colleague that is sitting beside me in this House.

An Hon. Member: On which side?

Ms Pastoor: Well, isn't that amazing? He's on my right side.

Mr. Rodney: Quite far to the right.

Ms Pastoor: Quite far to the right, so he said. I'm not sure he's as far right as he thinks he is, but never mind.

I really think that secondary suites could be an amazing answer because certainly they are the answer for many, many students. In fact, I didn't have a secondary suite, but I did have boarders. It was my pleasure to have some baseball players stay with me. They were baseball players for the Prairie Baseball Academy, which is a very prominent academy in Lethbridge. One of the things that I learned by having young baseball players in my home was that I had no idea that there were that many teenage girls in Lethbridge. They all showed up on my doorstep. Believe it or not, these young men actually appreciated the fact that I kept those girls away. The house was really to study in and live in. [interjections] Believe it or not, I really do not look as good as Susan Sarandon in *Bull Durham*, so none of that stuff happened.

Besides secondary suites, actually the suggestion that had come from the other side was that families do take in other family members. I remember that years ago in Lethbridge granny suites were the big thing that we actually talked about in terms of zoning. I think it is a wonderful idea because there are many, many lonely people out there who would love to just be able to live in proximity to their family but not necessarily be a part of it when what they do with their lives is so different.

So there are any number of really creative things that can happen out there. I think it takes the will of the government to come up with some good legislation, and I believe it's our duty to come up with legislation for this housing crisis. But I think one of the things that we have to admit out loud is that there is a crisis. It is going into catastrophic atmosphere.

Rent control: I don't like that word. But I think that if you sit down and talk to some of these landlords that I've spoken to, they actually are in favour of something that is fair. The real estate agents that I've spoken to are saying: just tell me what it is. Even the real estate market is in chaos out there because they don't know what to do. If this bill passes, it will go back to April 24. They're saying: "You know what? We almost don't care. Just tell us. Just make the rules." We have to stand up and be counted. That's what we're getting paid for.

I think that I will stop there, Mr. Speaker. Thank you very much.

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

5:40

Mr. R. Miller: Well, thank you very much, Mr. Speaker. My colleague from Lethbridge-East talked a lot in her speech about secondary suites. We know, of course, that secondary suites are a potential solution or at least a part of the solution to the current housing crisis. However, one of the concerns that I have – and I've had others express it to me as well – is that there are currently an awful lot of secondary suites that are operating illegally. My concern is that there may not be as much potential for secondary suites as is suggested by the government because, in fact, a lot of those are already operating. We just don't know about it. They're not legitimate, as it were, right now. So my question for my colleague would be whether or not she has the same concern, that we won't realize as many secondary suites as the government is suggesting we will because, in fact, a lot of those are already operating. We just don't know about them.

The Deputy Speaker: The hon. member.

Ms Pastoor: Thank you. I agree totally that secondary suites can be a really good solution, but I also think there are a lot of things that have to be ironed out ahead of time. As I think I mentioned before, I really feel that a lot of the secondary suites that are illegal will have to have some kind of an incentive to be able to come forward so that the owner of the illegal, soon to be legal, secondary suite is not penalized by losing the money that they actually were getting from those secondary suites to begin with. I'm not sure how we can handle that in its entirety, but I think it's something that has to be looked at in terms of a problem with secondary suites.

Secondary suites also could really be considered in any of the new buildings that we have. We absolutely have to build. There is no question in this province that we must create more units for living. So when developers come forward, perhaps there should be an incentive for them to build a duplex that would lend itself to a secondary suite. Even fourplexes could also lend themselves to secondary suites if they were more like townhouses, up and down. Even townhouses could be secondary suites with some very creative architecturally designed units.

I think that's something else to look at. When we build these new units, perhaps create an incentive to the creative designer and architect that would create buildings that lend themselves to secondary suites, and when the secondary suite is not needed anymore, when the supply catches up with the demand, then they could be turned very easily back into one-family homes.

Thank you for that.

The Deputy Speaker: Are there others? The hon. Member for Calgary-Bow.

Ms DeLong: Yes. I just have further questions about secondary suites. It's my opinion that most Albertans are law-abiding citizens and that they would very much hesitate before building and before, you know, developing a secondary suite within their building when it's against the law. So I think that the number of suites that would become available if we were just to allow it, if we were to make sure that that opportunity was available to them, is actually higher than what we're thinking.

Ms Pastoor: Well, thank you for that. There was just a little bit of Pollyanna in there, I'm afraid. For many years I've actually done census, and let me assure you that when you do census, you find more illegal suites and more stuff that – I'm not going to go on to

that one. I've probably only got a minute. I've got great stories, but never mind. When you do census, you really do find where all of these illegal suites are, and you also find out how many places really have boarders.

I agree with the hon. member that we can look at the new developments, but if these are developed as new, then the secondary suite would automatically be recognized, and it wouldn't be illegal.

The Deputy Speaker: Back on the debate, the hon. Member for Edmonton-Decore.

Mr. Bonko: Well, thank you, Mr. Speaker. Normally I'd be kind of pleased to be able to speak to something like this, but this is probably one of the tougher subjects that we're debating here within the House. It's up there with the third way, or the alleged third way that was supposed to come. This is a particular thing. It doesn't matter what side of the debate you're on. There are no winners. There are no losers here. It's a tough one, and that's just the bottom line.

I recognize that if I was an apartment owner or if I was a developer, the bottom line is that I'm in a business to make money. I recognize that. I'm not in it to give out charity. That's the bottom line. But not all of them are like that, have a cut and dried attitude.

I think that if we were going to have a real impact with this Bill 34, we would have to sit down and talk with them as, apparently, the task force did. But put in a sunset clause: two years maximum. Two years does fly by quickly. It may not seem like it. You know what? Say that the sunset clause will hold you into the rent regulation. Call it a cap, whatever you want to call it. Two years. It's a short period. The boom is not going to end in two years. After that time the sunset clause is done. You can put in the rent increases. But that'll allow at least time for the \$285 million to try and catch up to the market. But I'll get back to that amount.

I think the \$285 million is going to be short from the amount that we'd like to see. We were hoping for I think it was a number of about 10,000 units. But if you even look at the cost of building a high school, and we're talking about trying to put in living quarters for people, we're going to have to do some juggling of some numbers because the economy is on fire. The cost has gone up. You're not going to be able to make 10,000 units for \$285 million. I don't see it. I mean, I don't know what kind of conditions we're hoping these people to be able to live in, but they've got to be reasonable conditions here.

But getting back to the sunset clause, I think that if you put it to the owners in that sort of context, that it's guaranteed that it's going to be short lived, that it's a two-year period, then you can let them decide after that whether they want to, you know, put in 100 per cent increases, 700, 500. We're hearing all the stories right now. Right now this bill is saying: one year. Don't put anything in for one year. But it doesn't regulate as to how much that increase can be. So, really, it's still open, and there's no protection for the renters whatsoever. They know that they can't have anything for one year. Well, you know what? For some it's coming up right away, or it's month to month.

The bottom line is that this bill does not provide anything that they were hoping for. If they did put any sort of a cap or a 10 per cent guideline on here, that's again going into the regulations or into the caps. The committee was supporting it, but that's what the government and their members during the convention have said: "Absolutely no way. We don't want anything like that. Let the market prevail." So it's not going to meet the needs of the renters.

I've got a unique area, an old area which is at least, you know, 50, 60 years old, and I've got it stretched right to the new area, which is

newly developing. New lots are still springing up, and houses are still breaking ground. There's a big disparity between the haves and the have-nots. In the old areas of Killarney or Glengarry you have basementless homes, and at one point they were going for \$90,000. It's basementless. It's just about a thousand square feet, if that. But now, you know, with the market switching the way it has, to be able purchase, that same place has gone up to \$200,000 to \$250,000. It's not worth it, but that's what supply and demand is getting for it. At the other end of the spectrum you've got \$700,000 to a million dollars for some places.

Caught in the middle are the renters. I've got a lot of rental properties along, like, the north end, up into Castle Downs, up towards Manning. The whole north end. There are a lot of rental properties scattered. I hear people, and I see them. They come into my office, and the stories are heart wrenching, absolutely heart wrenching. You've got seniors there that are on a fixed income. Whether they're on disability, whether they're on their pension, whether they're on AISH, they're on a fixed income. They look, you know, below the cupboard underneath the plumbing, and there's a hole in the wall. They can talk to the other neighbour and exchange horror stories as to what the rent is going to be.

I'm hearing these particular incidents. They're now getting the increase, and it's going to be at \$1,050. They said: "There's no way that I can make \$1,050 on my income. What am I supposed to do?" There's a temporary rate regulation going in. It doesn't matter. There's \$7 million for interim funding for people being evicted. That's for two months. In the meantime it may take two, three, four months to be able to find something that's affordable.

Even seniors. They're the newest group that's going to be going out there, leaving their homes, trying to find something that they don't have any maintenance on. Those have got a two- and three-year waiting list on them, so I'm thinking that I've almost got to put my name in right now if I'm going to be able to find something at seniors'. I mean, there might be hope for something for the Member for Edmonton-Beverly-Clareview, but, you know, right now I've got a long way to wait before something's available for myself.

5:50

An Hon. Member: Are you going to take that, Ray?

Mr. Bonko: I'm thinking about you. You're always asking: am I thinking about you? I'm thinking about you.

Mr. Martin: I appreciate that.

Mr. Bonko: Again, you've got some buildings – my son just recently moved: \$700 and it's a small bachelor suite. It provides power, water, and utilities, but it's \$700. It's not very fancy, but it's a roof over his head. He's excited about that particular point. But the building right behind him suddenly now went up for sale, and they're converting them to condos. Now, that particular thing could happen to him, and he is nowhere near the position to be able to buy at \$154,000 for the starter to \$164,000 to \$174,000. Those are the increments.

Well, you mean this to be beneficial to the people that are in there right now, but people are going to buy those, and they're going to turn around. They've got to cover the mortgage. They're going to have to ask at least \$1,000 when other people there probably aren't paying \$1,000. They're going to have to ask at least \$1,000, and then you pay condo fees on top of it. So when the whole thing rounds out, you're going to be at least at \$1,400 to \$1,500 for the same place you maybe were paying \$800 for.

So this begs the question: at what point does this bill serve to

protect anybody? The condo conversions can still happen. You're still going to be saddled with an unmanageable debt: 50 per cent of a person's income, 60 per cent, 70 per cent. It's just not reasonable. I mean, we're wanting people to have a quality of life. For the longest time the catchphrase here was, you know, the Alberta advantage: "Come to the advantage. Have the advantage. Share, eat, breathe, live, work it. It's going to be here for you."

An Hon. Member: Now it's the price of prosperity.

Mr. Bonko: Well, yeah. They call it the price of prosperity, but now we're hearing that this is a disadvantage. The military: we're hearing the stories. A lot of people are perhaps getting posted here or are potentially going to get posted in Alberta. They don't want to. You know, I'm not trying to plague on that one, but it's an example that we have. People that are serving afar and abroad don't want to come to Alberta. I'm hearing stories that people are going to hand in their resignations if, in fact, they have to come here because there is just nothing affordable. Myself, if I was forced to buy something right now, I couldn't buy the same home I'm living in right now, not at, you know, almost \$500,000, half a million dollars. I couldn't do that. It's just unthinkable.

Then when you have the development that's going to take place in the northeast section of the city, in the neighbouring areas like Fort Saskatchewan, you're going to have that upgrader alley. That's going to further impact the north, northeast, north-central areas. They're going to add at least another \$100,000, \$200,000 because of just the proximity to all that work. You're going to have people coming over and just buying it right now because they want a place to live.

Getting to something that we could do right now – you need to change it to have instant suites right now – is change the Municipal Government Act to allow a little bit of regulation-changing for the basement suites. We were just talking about that. I mean, basement suites go on right now. People are talking about it: "Oh, all Albertans are honest. They wouldn't do that." I think some people are of the opinion: "Oh, it's on my property. It's on my land. It's my business. Mind your own." A lot of people are like that too: "What takes place on my side of the fence shouldn't concern you. If I'm subletting my place or I'm supplementing my mortgage, that's my problem. It shouldn't bother you."

In some cases – and I know it happens – they're purchasing a \$300,000, \$400,000, \$500,000 home, and you have two and three families in there. That's the way they're making it. Is that called sublet? You're subletting to your family. You know, you can say absolutely not, but they're taking up the space, and they're all pitching in to make that mortgage. That mortgage is \$2,500, \$3,000. Now, with a two-income person they might be able to do that. For how long? That's the big question. But when you get three and four families doing that in there, they're able to make it. That's considered, I would say, the same thing as a basement suite. Is it legal?

An Hon. Member: Is it safe?

Mr. Bonko: Well, is it safe as well? But, I mean, they're making it, and they're not complaining. They've got a roof over their head. That's the whole thing. So if we were going to do something like this, we could have brought in a complementary one under the Municipal Government Act to allow the municipalities to have this easement here. They said: well, they have the ability right now. I don't know. There need to be some changes here. Everything may not be exactly up to code: I'm not going to go put another \$25,000 into my place to cut in a separate entrance, to install another furnace,

to install any more windows. That's the whole thing. People won't do that.

So are we saying, you know: live in there, and take your chance? Well, people right now are taking their chances. Some of the positions that people are in aren't great. I know people that are renting storage units. I shouldn't say that I know them; I hear stories. That's right: storage units. They're inside. They're out of the elements. They're heated. They have running water. They're very, very small. But you know what? For \$300 or \$400 they've got a roof over their head. These are the people that are the working poor. It may not be pretty, but it's working for them right now at this time.

Mr. R. Miller: But it's not a home.

Mr. Bonko: No, it's not a home. But you know what? A roof over your head is not a home. A shed is not a home. People in a tent city, that they had up on the Fort Road only a few months ago: they endured the entire winter, and it was a bloody awful one. There was a lot of snow, colder than we've been used to. They were out there, and they endured it.

An Hon. Member: Tell them about south Edmonton.

Mr. Bonko: Well, in south Edmonton, I know, just outside of Freedom Ford there's a guy living in his van right on the street. Just to the west of it there's a guy living in his tent. Now, the owner is very kind, and he's not calling on it. But he does feel sympathetic to the people that are out there right now. This is going to be a growing, growing concern.

You've got a little park there. It's Rainbow Valley park in Edmonton. As soon as it's ready to open, you're going to have the people camping in the river valley as well as that park. Is that acceptable? I don't think so. That's not a long-term solution. Not at all. I mean, this is just Edmonton. I haven't even brought the whole thing with the rest of the province. You know, you've got McMurray. You've got Grande Prairie. You've got everywhere else in a province that does have its hot spots, but the bottom line is that this bill in the short term isn't going to fix that particular problem.

We need a long-term, viable solution or at least to be able to have the market catch up. The \$285 million is in no way going to be able to accommodate the needs that we have coming in here. We have people flooding in here on a monthly basis, thousands and thousands of people, and we're expected to take care of them as well as the people here in Alberta a long time. We had yesterday the Sexsmith man, who is a veteran that was up talking to the minister of the treasury as well as the Minister of Municipal Affairs and Housing. That's a story. How do you tell that man, "I understand. I have a roof over my head, but – you know what? – I understand"?

There are people who have disabilities. They definitely need unique housing situations. They need to have elevators. They need to have that ability to get up and down. Other people with cerebral palsy or MS are here. They are not able to make the stairs. They need something that is perhaps one storey, but they've got to have the affordable housing. They've got to have something that's got the elevators or the ability to deal with the people who are on disability. You're going to have more and more of those people because they're not working on a regular basis, and a lot of these people don't have the ability to supplement their income because it's clawed back.

If we had something, perhaps, in there so that they would be able to earn a little bit more, but that money would go into an account. How do you control that? I'm not sure, but you've got to be able to give a little bit of flexibility here for these people who definitely

need it. Right now under this bill it isn't there, and that's exactly why I couldn't support it. It doesn't work. It's not going to work. It's just a government exercise. They've gone through the task force, and this is their way of coming up with a solution that's going to be able to balance the needs. But it does not balance it. In fact, it's going to continue to worsen. The compound situation is out there, and it's not getting any better.

We had people from Rwanda here yesterday. We have new immigrants coming in all the time, and they're caught in the opportunity here that's the price of prosperity. Well, you know what? That's unfortunate, but if that's the answer we're giving to the people, that's the answer given. Yeah. The economy is on fire. There's good, and there's bad. You don't often hear about all the good stories because – you know what? – that's what the newspaper doesn't report on. They only report: if it bleeds, it reads.

You know, I used to be with a newspaper for a long time, and that's exactly it. You don't want to hear about all the great stories because that doesn't sell. It's the heart-wrenching stories of the woman who gets \$1,000 increase who's standing out there and can't

afford it. Those are the ones . . . [interjections] and I recognize that. Those are the ones that they're continuing to highlight and sensationalize. In a way it is sensationalism, but it's reality.

An Hon. Member: They're real people.

Mr. Bonko: They're real people, and those are the ones that are getting the real attention right now. I had Peter Tyleman, who came in yesterday. He's a veteran. He's 55. He figured that he'd have the Freedom 55. He's lived in the Lake District for a number of years, and he was thinking that he'd be able to retire. Well, now that place that he's in is going to be in condo conversions.

The Deputy Speaker: The Assembly stands adjourned until 8 p.m. I'd just like to remind all members who have guests with the Forum for Young Albertans to join them for supper at the Leg. cafeteria.

[The Assembly adjourned at 6 p.m.]

