

Legislative Assembly of Alberta

Title: **Wednesday, May 9, 2007**

8:00 p.m.

Date: 07/05/09

[The Speaker in the chair]

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

**Bill 34
Tenancies Statutes Amendment Act, 2007**

[Debate adjourned May 9: Mr. Bonko speaking]

The Speaker: The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Edmonton-Ellerslie.

Mr. Hinman: Well, thank you, Mr. Speaker. It's a privilege to be able to stand up and address the Legislature this evening on Bill 34.

The thing that I really want to address more than anything tonight, Mr. Speaker, is more the philosophy of it. We've debated lots of different probabilities, and the one that I guess we're rehashing over and over again is to put in this temporary cap. I need to speak against this cap. I know that the amendments are going to come forward to do it, and there's been lots of debate on it. The reason why – and that disturbs me the most – is that it's always easy to say that we're going to put in a temporary cap, but once it's in place, you've set the precedent, and when the precedent has been set, that is an ongoing problem that you live with for the next 20 years. And we're never going to know when the government is going to waiver again at the pressure.

But the real question is that after one year or two years, as those are the two numbers that are most prevalent out there, we could be in a real dilemma because we still might not have enough housing. Then what do we do? The people counted on the cap the first time, and now the pendulum has swung further. It's going to be a bigger watershed moment, and more people are going to be hurt. As painful as it is, I still would argue and go along with the Premier in the fact that our problem is that Alberta is the place that people want to be. People are moving here by the thousands, and that's causing the dilemma on where we put up the houses.

So the first thing, like I said, that I really want to stress the most is that we don't consider a cap because once we've done that, we've set the precedent. The waivers go through the investment market, and it's just not in the best interest of Alberta in the long term, and it's certainly not in the best interest of renters, who we are wanting to help and protect here.

I wanted to go over a few of the other comments. In going back, you know, what is the real problem, and why are we faced with this shortage? As I mentioned, to me it's the Alberta opportunity. People are coming here from all over the country, all over the world, wanting to be here. I had asked the questions for those people who want caps. Well, then, why don't we just cap the number of people that can come to Alberta and say that we won't recognize anybody else to come here? We understand that that goes against our Constitution, and there have been limits put on in the current time.

Mr. Martin: Firewall.

Mr. Hinman: I don't see him. He's missing.

I also want to address the extra suite, the granny suite, the grandfather suite, and what are we going to do there? There have been many ideas, and I was disappointed to hear that Fort McMurray has passed legislation saying: only so many people in a unit.

The problem that we're really dealing with in many of the communities is the extra vehicles that come in. Edmonton has already done that in different residential areas because we do have a lot of extra suites because of the university, and it's a simple way to address it by putting parking permits on those different streets. You could allow two permits if the street room is there per house, and people know when they go in there that that's all that there's going to be. There is no car parking spot unless they're going to park on their own lot.

So I would really like to see the rules and regulations eliminated on whether you call them secondary suites or on the number of people that live in the house. I find it very ironic that a family with 10 kids is allowed to set up house and live there, yet if 10 university students wanted to go in there, are we going to pass legislation that prohibits them from sitting in there?

Again, government rules, government regulations are upsetting the market and magnifying the problem. So I would encourage the government to continue looking at that and urging municipalities to eliminate this desire to take census and to put quotas, put caps, put numbers on those areas.

The other thing that I'd like to mention and speak a little bit about is the fact that what we need, in the evaluation that I've done, is higher density population and that if we were to take the approach as the provincial government and tell some of these municipalities that if you were to allow these condos, these high-rise apartments to come in, we would actually pay the property tax for the first five years, perhaps, on a structure. Maybe if the communities would waive just the incentive and, say, the first five years of any high-rise apartments or sixplexes or what have you, the investment people would jump in to take that opportunity. Just like they did with the oil sands when they realized that they could use their capital to have a long-term project, they'd jump in there. But what we really want to do is to kick-start the housing economy and to have some way that the initiative is there.

Another area that we've been looking at – and it's interesting to talk to people – is the urban sprawl and to see the way that it continues to go out further and further. Maybe we should be looking at a tax, that the further you are from the centre and the more congested the roads are becoming, maybe that's where the higher taxes should be. I'm a firm believer that in these new subdivisions that are going up, the full cost should be paid by those subdivisions because as that cost goes up, all of a sudden you look at it and you realize that the costs are much more economical.

The good Member for Battle River-Wainwright talked about the cost of putting a trench in, you know. It's static, yet the size of the pipe is a nominal amount, and it's very easy for us to service in different areas of the city where we have the capacity to increase the density. We should be looking at that and helping municipalities and encouraging them to do whatever they can to get the higher density population.

It's the same if we're to have the different bus routes or the rapid transit, whatever we're going to have in our different communities, to realize that we can set up and want to have a good system where people can move back and forth. There's an incredible amount of work that's been done in North America on sustainable communities and seeing that there's the business section there, that the schools are there. They're subcommunities, yet they're a community unto their own. Those are other areas where we should and could be looking at giving the proper tax benefits to set up a sustainable community that's going to actually enhance the quality of life for our families and those that are in it.

Again, I want to talk about the sunset clauses that are being mentioned so many times. I think there's appropriation for sunset

clauses. For example, if we're going to give a concession for five years on the property tax, that should be a five-year sunset clause, and every year we should look at it and re-evaluate it and say: well, is this something that we only want for five more years? But the notice is there, and the builders know that it's five years, and when you quit, they know that time frame. But to just be able to put these clauses in, you know, this week, not next week, and not knowing the sustainability, sunset clauses are very important, especially if we're going to give tax concessions so that people will decide to put their money into an investment and know that it's there.

The other area that a lot of people have talked about is the actual benefit that if these people want to put up a low-cost housing, we should really evaluate how we are going to tax those areas. It is all about economics. We can't think we're going to tax an area, much like our basic tax exemption – we understand that those people can't make ends meet. So if the municipalities could somehow look at having those basic tax exemptions on those areas, and perhaps again maybe the provincial government needs to put some incentives in place to get them to do it. But there are many innovative ways that we could and should be looking at in order to enhance our housing. The last thing we want to do is to put in more rules, more regulations, more caps, and to put that through the investment community, especially in homes, to say: "You know, it's just not worth it. We don't know what these guys are going to do." That's the part that we want to avoid the most.

I guess my last and final point that I want to make is that I've known several individuals that have moved to different communities. I know of two that went up to Grande Prairie on January 2, 2003. They went up there with a pickup truck and a camper on the back, in minus 40 weather, and they survived two months, and they brag about it. It's one of those achievements now in their lives. Much like the settlers who came to this country a hundred years ago, they didn't come in here expecting the government to give them a house. Many of them dug into the riverbank, only to be flooded out the next spring, to move up a little bit higher.

But the people that are moving here to Alberta understand that this is an opportunity. They don't always think it's going to be an easy one, but we need that free enterprise, that entrepreneurial spirit, that desire to survive where you can't survive, as in the Palliser Triangle. The challenge was out that this is not habitable, yet we achieved it. [interjection] That's the Palliser Triangle.

8:10

We can and we will survive, but government's job is to realize that we're civilized. With Fort McMurray I felt when I went up there two years ago that if the government was to open up 1,280 acres like they did in the early days and say: "You know, there are five-acre plots here. Come up; set up, whether it's your tent, camper, what have you" – they don't expect anything other than a place to put their piece of property on and protect it.

Then our job is to make sure that we have the policing, that there isn't any looting, that there isn't any pillaging. We can keep it civilized. It's a matter of having the proper policing authorities to be there, and people can set up and know that they're there, and we'll get out of this.

Once again, caps are not the right way to go. It's going to be interesting as the evening goes on. We'll see how the amendments come forward and what happens. I appreciate the time, and I'll let the next member get up and share their two bits' worth.

The Speaker: Hon. members, Standing Order 29(2)(a) is available. Shall I call on the hon. Member for Calgary-North Hill for a question?

Mr. Magnus: Thank you, Mr. Speaker. I'm curious. When the hon. member was doing his debate, he put out a number of different suggestions, one of which was to charge the outer suburbs in the cities more taxes than the inner cities. I'm just kind of curious if he's going on the record and stating that, in fact, he doesn't believe in market value assessment. I'm wondering how he plans on justifying the extra taxes when, indeed, those new suburbs don't come equipped with fire halls, police stations, schools, or even hospitals, and he expects them to pay more. I'm really wondering where his reasoning is coming from.

Mr. Hinman: That's an excellent question, and I'm happy to expound on that a little bit. When I say increasing the taxes, that of course would be for full services. We have a lot of bedroom communities, and with the continued contention, especially here in the capital, on who's paying for what infrastructure, I'm a firm believer in pay-as-you-go.

If they want to set up and they're a long ways and we have to change our pipeline from a six-inch to a 12-inch and it's going to cost us \$3 million to put that pipeline out there, I don't believe that the old citizens should have to cover that cost of that new area. If that's the cost of development, then the full pay should be there. [interjection] Oh, I'll get to it. You asked several questions there, hon. member. So if you have the full cost involved, then all of a sudden it looks like – you know what? – it's cheaper for us to develop high-rise apartments here, and you don't have the urban sprawl.

Market value assessment. You asked on that. It's something we're still doing a lot of research on. If I was to point a finger today on what I've found so far, I think that's inflationary. I think that it's caused some of the problems, and we'd be far better off if we'd not gone to that, but we'll continue going down that. That's what we're debating tonight, market value assessment, but I'm not a fan of that. I hope that answered your questions.

The Speaker: Minister of Public Security and Solicitor General, do you want to participate in the question portion? Proceed.

Mr. Lindsay: Thank you, Mr. Speaker. First of all, I want to thank the Member for Cardston-Taber-Warner for his insight into the Conservative approach to addressing the rental unit shortage. I thank him for supporting Bill 34. But I got the impression that his philosophy kind of changed a little bit there when he spoke about new subdivisions and giving property tax breaks for up to five years on a new subdivision. I just wondered if he could maybe comment on that. It seemed like a different view on that type of situation.

Mr. Hinman: I appreciate the question, and, yes, it's always hard. Sometimes we're not as clear as we want in our words. No, what I was looking at: it's the same as the oil sands. We wouldn't have the development we have today if we didn't give those tax concessions to become economically viable for those companies to come in. It's the same with high-rise apartments and those things. If we were to look at it in the inner core and areas where we want them and say that we're going to waive the property tax for five years, it will actually be a windfall situation, just as we are with the oil sands. The revenue that's going to continue to come in, because those facilities are there and they've got their capital paid off, will be a benefit. It would be the same with high-rise apartments, that after five years we would leapfrog ahead, and it would be a benefit to the community.

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

Mr. Mason: Thank you very much, Mr. Speaker. I appreciated hearing part of the speech of the hon. Member for Cardston-Taber-Warner. I listened with interest to his discourse on the role that government might play. I wonder if he sees a role for government beyond merely the prevention of looting and plundering.

Mr. Hinman: Well, the reason I brought that up, hon. member, is because many people are afraid to move into these new areas because that policing isn't there. The reason why we come together and form government is for safety and security. I believe that's the first role of government, to ensure that pillaging and plundering doesn't go on.

Gouging isn't part of that. It's the free market, you know, that other people will come in. I think that we can actually address the gouging. If we didn't have market value assessment but actually had purchase price assessment, that if, in fact, a condo owner wanted to raise that, and once it was raised, immediately that was the new purchase price, all of a sudden their property value assessment would go through the roof. They would consider that. But when you have market value assessment, someone can raise it up there, yet it's distributed amongst the other ones, so he gets that advantage. But immediately if he changes rent from \$500 to \$2,500, a fivefold increase, that new purchase price or rental price would reflect in his property tax, and it would be a disincentive to say: oh, maybe I better rethink this.

The Speaker: Well, alas, we've now expired that segment of our agenda.

The hon. Member for Edmonton-Ellerslie.

Mr. Agnihotri: Thank you, Mr. Speaker. I'm pleased to rise and speak to Bill 34, Tenancies Statutes Amendment Act, 2007. The object of Bill 34 is to amend the Residential Tenancies Act and the Mobile Home Sites Tenancies Act. The main substantive amendments are to modify the notice period set out in the acts to allow for only one rent increase per year. The bill applies to both periodic, month-to-month, and fixed-term tenancies. Three months' notice will still be required before increasing rent on periodic tenancies.

This bill doesn't say anything about rent control. This bill doesn't say anything about the cap. One year's notice must be provided before ending a periodic tenancy for the purpose of converting a rental unit to a condominium or undertaking major renovations to a rental unit. No rent increases will be allowed during that one-year period. The notice for converting a mobile home site to a condominium unit or for other uses continues to be one year. The changes are retroactive to April 24, 2007, and there is a punitive clause also included to apply a \$5,000 fine per tenant for any landlord that violates the legislation.

While these amendments make changes limiting the terms for rent increases to one . . .

The Speaker: Hon. member, sorry. Please sit down. We're in second reading of the bill, dealing with principles of the bill. We have no amendments before the House. The chair is having a difficult time following the debate. There are no amendments before the House.

Mr. Agnihotri: Okay. That's fine.

Mr. Speaker, my constituency of Edmonton-Ellerslie is a diverse riding: lots of immigrants, seniors, people living on fixed incomes, low-income people, artists. They all are facing a very serious problem. This bill does not provide any comfort for them.

Basic economics, Mr. Speaker, in this bill, you know, is the law

of demand and supply. It's very simple economics. When we have less supply, the higher the rent, the higher the prices of houses. If we have more supply, low prices of houses and less rent. A long-term solution for this critical issue is that we need more supply. Most people agree that short-term relief is needed, and the sooner the better.

8:20

Many of the landlords, Mr. Speaker, are good people. They are very co-operative, very reasonable. We are not against them, but when I talk to some of the people, they are saying openly that they oppose this bill because it's not protecting the majority of the tenants if this bill passes. You know, the condition of the apartments, their properties, will deteriorate very soon if this bill continues. Some people are taking advantage of the hot market, and they charge too much rent. This is not good news.

First of all, I want to talk about the all-party task force. The government established a task force, and out of 50 recommendations they only accepted 38. Most of them they ignored. I just want to say that if we ignore the majority of the recommendations of the task force, we spent lots of money and time on the task force. Some members were part of the task force, and they spent a lot of time. You know, if they don't implement all the recommendations, it's a waste of time, a waste of money, hard-earned taxpayers' money.

I think the more time we take, the situation will deteriorate and the problems on this issue will rise. I think the government should right away consider temporary measures. I mean, I'm not saying, exactly, that it's because of the party on the other side, their ideology. Maybe personally I believe that free enterprise should flourish in our province. But sometimes when the situation is worse, it keeps on getting worse because of the lack of policies from the present government.

Another thing I want to mention in this policy, Mr. Speaker, is subsidized homes. You know, I've been all over, especially in Europe. Every year all the civic, provincial, and the federal governments have a plan. They build some subsidized homes for the low-income people. I don't see that planning here in Alberta, even though we are one of the richest provinces.

Actually, last year two women came to my constituency office. One of them was a widow, and the other was permanently disabled. They were crying. Their children had kicked them out. I tried to reach Capital Region Housing, and they told me, frankly, you know, that the waiting list there is two and a half years and they can't help. In that situation I don't know if the children kicked their parents out. Relatives sometimes can't afford to help them. I mean, for a short time, maybe a week, two weeks, they can help, but if it's more than a month, it's very difficult for them. The waiting time in my constituency is about two and a half years now. This is not acceptable to my constituents, and it's not acceptable to average people in Alberta. We should do something about this.

I think that the civic government as well as the provincial and the federal governments, all three forms of government, should sit down and plan accordingly for the future, 10 years, 15 years, and they should build some subsidized homes. This is very important. I mean, even though we build some houses here, affordable homes, it's not going to solve the problem for the long term. I'm sure that the way the economy is going in Alberta, we'll need more and more homes in the future, and we should be prepared right now. This is the time for proper planning, and if we make the planning right now – I know that we are late already, very late. This government could have planned about three years ago and had at least 1,000, 1,500 houses already built by this time. Now people are suffering because of the lack of the government's long-term policies on housing.

Mr. Speaker, another thing I want to mention. There are lots of people in Alberta – not only in Alberta, maybe all over Canada – ready to help in the construction of new homes for needy people, for people who don't have that much income. They are good people, and they are always ready. I'm proud to say that in Canada we have 3 million people volunteering.

Rev. Abbott: Three point three million.

Mr. Agnihotri: Sorry, 3.3 million. Maybe 3.5 million now because a hundred thousand people already arrived in Alberta. The population is increasing, so are the volunteers in Canada. We all should be proud of that. They are ready to help those people. Good people want to come forward. In this Bill 34 I don't see anything like that, how we can use their expertise. Some are tradespeople, some can help financially. It doesn't talk about this in this bill. They are ready to help. How can we approach them? You know, this is something we should consider very seriously and bring them forward. They are ready to help. What they need is just the right approach.

Mr. Speaker, another thing I want to mention. Every time we ask the question to the minister concerned, he says that we have \$285 million dollars. The way the trend is going, more and more people are becoming homeless. Maybe that \$285 million is not enough. We should be ready for that. I ask the government to make a note in case that money runs out. We should plan right now because it's very important. Lots of people are in a really critical situation.

Mr. Speaker, I think some points in Bill 34 are good. I mean, I commend. But what I find is that this bill is still not doing what needs to be done. In this bill there's still not a vision, not a good understanding. Economically, especially, there's a lack of a few things. That's one of the reasons I'm not going to support this bill, especially the conversion of buildings into condos. Like everybody is saying, one year's notice should be given to the tenants when they convert the buildings into condos, but it's really hard for the tenants even if it's one year because life is so busy. You know, it's not hard to find suitable accommodation at this time of the year, especially for people who are disabled, who are earning less money, who are less fortunate, people on AISH, PDD. We should definitely have some programs. Some money should be allocated for them to make sure, you know, that they can live their life happily. If we can't do something for them, who else can? We are the best province in Canada. We can afford that. So this is the time.

8:30

If we had a proper vision, if we had had a proper policy about 10, 15 years ago, we wouldn't have problems like this. Some people agree with me. You know, even the former Premier admitted before he left: we never had a policy on surplus revenue. They were not expecting a boom like this. This is not a good sign for a province like ours.

Thank you.

The Speaker: Hon. members, Standing Order 29(2)(a) is available. Hon. Member for Calgary-Varsity, you have a question?

Mr. Chase: Yes, I do, Mr. Speaker, of my colleague. I would like to get a sense of Edmonton-Ellerslie. I mentioned in second reading this afternoon that Calgary-Varsity was an established area with a number of apartments, fourplexes, duplexes, single-family homes. In Calgary-Varsity there have not been any affordable housing or new apartment complexes built. I'm just wondering: given the boom, in Edmonton-Ellerslie have you seen any kind of affordable

housing projects, any new apartments being built that persons at the lower end of the scale could afford?

The Speaker: Hon. Member for Edmonton-Ellerslie, do you wish to participate?

Mr. Agnihotri: Thank you, Mr. Speaker. Thanks for asking me the question. No, we don't have any development going on for affordable homes. Actually, lots of people are calling me and sending me e-mails. You know, most of the time their questions are about – I think the majority of the MLAs sitting here don't know the full details of the plan. People are asking me: "On which sites are they building the housing? How big will the affordable housing be? How much of an initial deposit will we make? If we make the initial deposit, maybe the government will give us a loan or something." We don't know anything. Sometimes I feel helpless answering my constituents. The government is talking about affordable homes, and the majority of the members don't have the answers. This is what I have to say.

Mr. Speaker, if you allow me, I want to mention that a rent cap is also disturbing news for my constituents. They are saying that if they require a one-year notice for moving from one place, the landlord has the right to increase the rent, and there's no cap. The cap is a big problem for them. I mean, the landlord can increase the rent maybe 100 per cent, 200 per cent. Nobody is sure, and they are worried, and we should look at that.

Thank you.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. I can't help but notice that the hon. member seems to be saying "um" a lot, and it almost seems like it's some kind of a Liberal filibuster here. This is very important legislation that we're trying to get through to help people who are in the rental market.

In the beginning of his speech the hon. Liberal backbencher mentioned that there were landlords that were in favour of rent controls. I'm wondering, Mr. Speaker, if the hon. Liberal backbencher could just table some of those documents from landlords who are in favour of rent controls or if he could maybe elaborate and be specific on some of those people because I'm really having doubts that he has some factual information there.

The Speaker: The hon. Member for Edmonton-Ellerslie can respond if he chooses to.

Mr. Agnihotri: Yes, definitely. You know, I will ask the people I talked to, the stakeholders, to give me in writing what they believe. Then I definitely will table those letters here.

One thing more I want to tell the hon. member. Maybe the PC government has backbenchers; we don't. We don't. We are more aggressive, and we have more opportunity to speak here than 99 per cent of the PC MLAs sitting on the backbenches or the front benches.

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

Mr. Mason: Thank you very much, and I appreciate the opportunity to ask a question of the hon. Member for Edmonton-Ellerslie. He was talking about the former Premier's admission that there wasn't really a plan with respect to how to accommodate the growth in the province. As we know, this has caused a great deal of chaos and

suffering in the province. I was just wondering if the hon. member would care to elaborate on that.

The Speaker: I'm sure the hon. member would. Unfortunately, time has left us.

I'm prepared to do some rotation in here, but do I see another member? Then we're going to go to the hon. Member for Edmonton-Glenora.

Dr. B. Miller: Thank you, Mr. Speaker. I speak in second reading. It gives me an opportunity to reflect on the significance of this bill in light of the issue of rental housing in Alberta. If this Bill 34, Tenancies Statutes Amendment Act, 2007, is meant to respond to the government task force report on affordable housing, which is entitled *Housing First*, it's weak. I mean, it only responds to one item among the task force recommendations.

Mr. Speaker, you know, before we even began our work as a task force, we collected information, statistics about the situation of housing in Alberta, and of course we depended on members of the Department of Municipal Affairs and Housing to provide many of the statistics. The statistics were quite startling. Alberta had a 10.4 per cent increase in total population since 2001, double the national average, and many people have referred to that.

[The Deputy Speaker in the chair]

So many people are coming to Alberta, which puts a lot of pressure on our housing situation. The strong economy has helped spur migration to the province, which contributes to a rental vacancy rate of about .9 per cent, the lowest in a generation. With so many people coming looking for jobs, it's too much for the limited inventory of housing that we have.

You know, I don't understand how the different programs jibe with each other. The Minister of Employment, Immigration and Industry is apparently communicating with the federal government to establish a new agreement in terms of getting more immigrants to come to Alberta because there are so many jobs. Yet we don't have the housing, and there's no integration, and there's no overall systematic plan.

According to the Canada Mortgage and Housing Corporation the two highest rent increases in Canada last year were in Calgary and Edmonton: in Calgary 19.5 per cent and in Edmonton 9.9 per cent, well above the national average increase of 2.4 per cent. So rent increases are just overwhelming.

We hear so many stories from people. I'm sure all of our constituency offices throughout Alberta have been receiving e-mails and phone calls and people coming into our office to complain about the tremendous increase in rents. It's very sad to hear a lot of the stories. There was a group here today who were in the public gallery. They met afterwards with some members of the Department of Municipal Affairs and Housing, and they went around the table and shared their stories. It's just very upsetting to hear such heart-rending stories of suffering.

8:40

Mr. Speaker, actually, you know, we talk about the homeless, and there are plenty of homeless people in Edmonton and Calgary and Fort McMurray and other places, but there's a new category that's emerging. We should call it the nearly homeless: those who are one rent increase away from not being able to afford to stay in their apartment. Suddenly there's a new category: the near homeless. I think we should have a response on the part of the government that's going to be much greater in dealing with the crisis than what we have here in this bill.

Now, just to go on. A recent Royal Bank of Canada report indicated that home prices rose 50 to 60 per cent in Calgary last year and close to 40 per cent in Edmonton. Actually, in Edmonton it was almost 50 per cent last year, and in the first few months of this year, 2007, it's up another 16 per cent. There are just so many pressures on housing. People just can't afford rents. They don't have enough money to save to buy any homes, and homes have gone up so far in price. What can they possibly do?

I think that as a task force we were very much concerned about people moving through the housing continuum from emergency housing to transitional housing to social housing to affordable housing, but what we're seeing too much of in Alberta is a reverse flow, that people are going the other way. They can't afford the high increase in rents, so they are the nearly homeless. They are one rent increase away from losing their apartments, and where are they going to go?

Mr. Speaker, with those statistics, which were quite startling, the task force then went on the road to listen to people all through Alberta. We heard the same stories everywhere. Relevant to this bill in terms of the issue of rent increases, we heard the same stories whether we went to Fort McMurray or Hinton or Elk Point or Medicine Hat or Calgary, Lethbridge, Edmonton. We heard the same story over and over again, that people don't have enough income to be able to handle the huge increases in rent. Low-income families, people receiving social assistance: it's quite tragic that people just don't have enough money to be able to handle the huge rents.

Having heard all the stories, then we're faced with: well, what should we do? What would be a proper, sensible solution, response to this crisis that we're experiencing in Alberta? We wanted to take a systematic approach, looking at all aspects, not just one, looking at the whole housing continuum and looking at all the possible solutions and putting it all together in an integrated way and saying: "Okay. If the government is serious about dealing with the crisis, then they should respond to all the recommendations that we've made."

Now, the government has responded to some of them and has put a considerable amount of money into things like emergency shelters, and they keep talking about \$285 million for affordable housing. That actually is only half of what we asked for. We wanted \$480 million for affordable housing over the next few years because to build 10,000, 11,000, 12,000 units at approximately \$200,000 a unit, we need a lot more money than the government is deciding to put into it.

But when we come to the specific issue of rents, we thought that there should be a mixture of sticks and carrots. There should be regulations that would be put into effect to kind of manage the rental situation but also carrots, incentives, especially to encourage the building of more affordable housing, more rental accommodation. I thought that our proposal was something that was quite reasonable. Not just insisting that landlords not be able to increase their rent for a year: that was only one part of what we wanted to suggest. We called it rent stability guidelines. One aspect is controlling how often rent increases should be made, but we also included a cap, a guideline that would keep the increases to a certain level; namely, the level we suggested in the task force was CPI plus 2 per cent.

Also, we would allow owners to apply for an increase over the annual guidelines to recover actual costs; for example, if a landlord had special needs in terms of repairing buildings. A lot of our rental accommodation is in bad shape, and landlords need to catch up, so that might be something where an increase over the cap would be allowed to allow that to happen. I think what we need in Alberta is

a whole way of managing this through some sort of board that landlords could appeal to to ask for a waiver of the cap in their specific cases. We have those kinds of regulative boards in other sectors of our economy. Why not this sector?

It's not a question of intervening or not intervening in the economy. It's a question of how we manage the economy. I think that what the task force recommended was a nice package, so it's a puzzle to me that the government responds by only taking one specific item out of the package of recommendations that were made and makes that into a government bill. I think it's going to cause all kinds of problems because without some sort of cap on the amount that a landlord can raise the rent, what's going to happen a year from now? So there's no raising of rents for one year. Then after a year they're free to raise the rent as far as they can. Well, we're going to have a huge crisis a year from now, and a lot of people are just not going to be able to manage. Again, it's going to stimulate a reverse flow of people going the wrong way on the housing continuum.

Mr. Speaker, we want people to move towards independence and self-reliance. You know, some people choose to stay in apartments their whole life, and that is their choice. Many others, especially young families, would love to move out of apartments into being able to buy homes, but if the rent increases go up the way they've been going up, and even if we delay it one year and they skyrocket next year, young families will just not be able to have the extra money to come up with the down payment so that they can move into market housing. So we're not encouraging people to move towards the self-reliance, the independence that we want them to have.

Mr. Speaker, I'm very disappointed that we don't have more of a solution, a broader array of sticks and carrots that are offered to deal with this huge housing crisis in Alberta. It's disappointing, you know, having done all this work for 45 days. The task force really worked hard to come up with solutions that they thought would really work given the Alberta context.

Mr. Speaker, that's all I have to say right now in second reading. I hope to return and say a few more words when we get into committee. Thank you.

The Deputy Speaker: I assume that the hon. Member for Calgary-Varsity is rising under Standing Order 29(2)(a)?

Mr. Chase: Yes.

The Deputy Speaker: Proceed.

8:50

Mr. Chase: Thank you very much. I very much appreciate the work of my hon. colleague from Edmonton-Glenora on that task force and my NDP colleague from Edmonton-Beverly-Clareview. They gave up much more than just 45 days away from their families, being on the road. I appreciate that.

The hon. Member for Edmonton-Glenora pointed out the effect of bringing more people into an already overheated economy. I wondered if you could elaborate on what you see as the social and economic impacts of not addressing the affordable housing crisis that is occurring now.

The Deputy Speaker: The hon. member.

Dr. B. Miller: Thank you, Mr. Speaker. Well, in terms of social development what could be more important than having a home? Really, when we look at what the negative effects might be, you know, when people don't have a place that they can call home, then

there are all kinds of problems that develop from that, especially homelessness and people getting into trouble. Actually, it will cost the economy and all the services huge amounts of money if this housing issue is not dealt with. I mean, there have been studies in the States of homeless people, who were a tremendous burden on the system. It costs the system millions of dollars in terms of dealing with crime, dealing with all the support services, the health, the hospitalization, and so on. Having a policy that's going to make it possible for everybody in the province to have a home is certainly important for social development in this province.

I think we've got it all out of kilter. We go full speed ahead in terms of economic development, and social development falls behind, so we deal with a housing crisis. Somehow we have to develop policies that are integrated together so that, you know, it's not just making money from the tar sands and so on. It's also support for people so that our people are able to grow and to have a home and are able to develop.

Thank you, Mr. Speaker.

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

Mr. Chase: Thank you. I'm very well aware that prior to the MLA for Edmonton-Glenora being elected, he was a United Church minister. An analogy that's frequently used in ministerial practices is the idea of a good shepherd. Do you believe the government has a role as the symbolic shepherd, steward, or protector of the people? How do you see the government's role and responsibility?

Dr. B. Miller: You know, I think the problem with this government, Mr. Speaker, is that the ideological approach of this government is that everybody is an individual, that they should fend for themselves. Well, that doesn't work in a province where we have these kinds of huge rent increases and so on. The government has a social responsibility. In terms of the image of shepherding, that could be appropriate in terms of identifying the sense of social responsibility. Surely the government has to be concerned about the common good. You never hear that term very much, but surely housing is an issue of the common good. There has to be a greater response, I think, to the crisis that we have in the province than just this patchwork approach, which is doing a little here, a little there. We need a systematic, integrated approach to dealing with a crisis of this magnitude.

The Deputy Speaker: The hon. Minister of International, Intergovernmental and Aboriginal Relations.

Mr. Boutilier: Right. I'd ask if he'd contemplate apologizing for suggesting that we're not shepherds on this side because we truly are shepherds. The suggestion that we just look out for individuals and don't care for the greater good really is simply not true. Consequently, Mr. Speaker, I would ask the hon. member to withdraw his comments.

Thank you, Mr. Speaker.

The Deputy Speaker: Hon. member, we'll have to wait for that answer another time.

The hon. Member for Edmonton-McClung.

Mr. Elsalhy: Thank you, Mr. Speaker. It is quite an evening we're having here, and I'm really pleased to be participating in this debate. This is one of the most animated nights I've actually attended in this House, and I think it's bound to get even livelier.

Bill 34, Mr. Speaker, is dealing with one important issue, that

every Albertan is thinking about. We're talking about residential tenancies. Bill 34 is called the Tenancies Statutes Amendment Act, 2007. And for one reason: people are concerned about the housing crisis that is going on in this province. I would argue that it is one of the most serious crises that has besieged and beleaguered this wonderful province. It is quite serious, to the extent that an announcement was made to try to deal with it, and then within two weeks a bill was tabled to try to deal with it.

Now, how serious is the issue of affordable housing or lack thereof? It is quite serious. People are talking to government MLAs, they're talking to opposition MLAs about the need for, one, affordable housing to be brought in, new affordable housing units to be built, and two, which is more important in my opinion, Mr. Speaker, protecting those who are already renting, those who are already tenants, allowing them to maintain their places of residence and, hopefully, protecting them from joining those who are on the street, those who are homeless.

I have argued in this House and outside, Mr. Speaker, that those who are at risk of becoming homeless outnumber those who are already on the street by a factor of at least 10 to 1. In Edmonton, for example, when they counted the homeless two or three months ago, they counted about, if I remember correctly, 2,500 or 2,600 people. I would argue that in this scorching hot housing market with the rents going up the way they are, 26,000 people in Edmonton are on the verge of joining those who are already on the street. So dealing with homelessness is important, but what's more important, in my opinion, is dealing with those who are just one paycheque away or one assistance cheque away from becoming homeless.

It is really fascinating in question period, for example, when members from the opposition ask questions pertaining to housing. We direct our questions to the cabinet, and some of the backbenchers, as has been referred to private members in this House, heckle and say little things across the way that they're not hearing the same concerns as the opposition is. I would say that perhaps some of them are speaking the truth. Maybe they're not hearing these concerns because, in my opinion, it tends to be a big cities' issue, and we know how heavy the current cabinet is on rural representation. So maybe they're telling the truth. Maybe they're not hearing these concerns in their rural constituencies. But I bet you that every MLA in Edmonton, Calgary, Grande Prairie, Fort McMurray, and some of the other major centres are hearing these concerns. Lethbridge is no exception. I would say that Red Deer definitely is hearing them. We need to deal with this issue.

Now, how do we deal with this issue? How do we be fair to landlords and also to tenants? It's an issue of fairness, and I think Bill 34 does not really address this angle of fairness. Bill 34 is intended to appear to be attending to the problem. Bill 34 is designed in such a way that it actually gives the impression that the government is coming to the side or to the aid or to the rescue of renters because this is an overheated market, like I said, and the government is trying to assure people that the government is on their side.

What is Bill 34 doing? It is amending two or three minor things in the residential tenancy statutes. One is the period of notice, basically how frequently a landlord can raise rent in any given period of time, and number two, fines for breaches of those acts. That's great. Actually, I like the direction. However, I have questions that I think deserve consideration and deserve answers.

9:00

In 1998 there was a housing symposium in this province, and that was excellent because they probably had a similar situation back then, I would argue, not with the same magnitude, not with the same

gravity, but they came together, and they said: okay, let's study ways to increase supply and, you know, maintain the affordability element for those who are renters. The symposium had recommendations, as any symposium sponsored by this government does.

In 1999 the then minister of housing, who is currently the Minister of Employment, Immigration and Industry, promised members in this House and promised members in the media that there was going to be something loosely called the apartment development board. The minister back then promised that this board would be comprised of landlords, developers, members or representatives from the provincial government, representatives from the municipal government, and also consumers; in brackets, you would say, tenants. So you would have a fair representation from all these sectors coming together to say: what is the issue at hand, how do we deal with it, and where do we go from here?

My question is: what happened to that idea? Where is that board, if in fact it actually did get established? What work came out of that board, and why hasn't that work been looked at or given attention to? I don't think the board ever saw the light of day. I think it was just luck that the government's, you know, concern during that time either went away or something happened that it didn't warrant further consideration. Now we're suffering from this lack of action six or seven years ago.

My hon. colleague from Edmonton-Ellerslie briefly talked about the lack of a plan, the lack of a vision. I would probably supplement that by saying that notwithstanding the fact that any new money for housing is appreciated and, I would argue, is sometimes long overdue, simply throwing money at problems doesn't necessarily fix them. As a matter of fact, sometimes throwing money at certain problems adds to the inflationary element and makes things worse.

The other questions that I had, Mr. Speaker, have to do with what assistance is available for people who are currently renting, tenants who are already living in units. Some of them have occupied these units for decades and now risk being thrown out either because their unit is being turned into a condo or because their landlord is nervously jacking the rent so high that these people can no longer afford them. I would tell you that most of these people that we're talking about are either seniors on a fixed income or they're pensioners. They're probably, you know, even students on or near campuses in this province. We're looking at people who are on social assistance, disabled people, and on and on. So these are people who don't see their incomes really grow or increase by that much from year to year.

With a vacancy rate that is this low, if someone were to be forced to leave the apartment that he or she has occupied for so long, where do we expect them to go? There's nowhere to go. Also, the government keeps boasting about, you know, programs to assist renters, programs for subsidized housing, programs to deal with homelessness. Well, that's fine. What is the wait time? When somebody puts his or her name on that registry, the housing registry or whatever you call it, how long does it take? In question period today we heard that sometimes it takes 24 months, sometimes even longer. That's two years, Mr. Speaker. If somebody's kicked out today, where do they go in the interim?

How much is the subsidy given? Is the subsidy enough? You know, when somebody's rent goes up from \$800 to \$1,600, are we giving them \$800 in subsidy? The answer is no.

I also would like to ask: how many new rental units were added or built, say, over the last two decades? I would bet you, Mr. Speaker, that the number is very low. So the argument from the government that if we interfere in the market, if we intervene and dictate what private business does, it's going to kill all new development of affordable housing – I find that hard to swallow because

there hasn't been a lot of affordable housing units built over the last two decades, with no government interference, with no controls. So the argument doesn't stand.

When the Minister of Municipal Affairs and Housing promised to speak to landlords and to try to talk to them or negotiate with them or reach an agreement with them about what they should and shouldn't be doing, what is his and his government's definition of gouging? I would like to know what constitutes gouging in his book, that these would be the landlords that he would be talking firmly to.

Also, in his opinion, in his book and this government's book, what is an allowable percentage of increase? Would 10 per cent a year be allowed? Would 20 per cent be allowed? Is it okay for 30 per cent? Is it fine for 40 per cent or more? We need to know what they consider fair and what they consider reasonable.

The other thing I would like to ask, Mr. Speaker, is: shouldn't this be the time that we also talk about renters and tenants having minimum standards in the quality of their units, of their space that they live in? How big should this space be? I mean, should somebody be confined in a space that is 50 metres square, or should somebody be allowed to, you know, have three people living in a bachelor suite? What do we consider adequate? What do we consider appropriate, healthy, and, to be honest, humane? What do we consider for Albertans who are renting?

Now, I have some statistics which I tabled, Mr. Speaker, in this House. The statistics are meant to shed some light on the crisis for those members who are not aware of the gravity of this situation. One of the tablings I made was with respect to the Canadian Housing Observer report on the average rent for two-bedroom apartments, just a statistic to give you an indication, for the period '92 to '05 – that's about 13 years, so it's quite telling – detailing the Canadian average, province by province, and then the major metropolitan areas. Of note, of course, is the fact that between '92 and '05 the figure for Alberta rose from an average of \$553 to \$765, which represents an aggregate increase – that's year after year – of 38 per cent. Now, some people today are getting 40 per cent in six months.

So if average rents rose by 38 per cent over 13 years, and now people are getting 40, 50, and 60 per cent in six months, that's telling you something, and that's totally unfair. I'll use the simple Excel sheet, which I also tabled, demonstrating that the highest jump from year to year over this period was 7.43 per cent, and the average change over 13 years was 2.57 per cent. So you take the highest, 7.43, and you take the average over 13 years, 2.57. So when the Alberta Liberals recommended a 10 per cent temporary rent increase regulation to protect renters, we were not being unfair to the landlords.

The other thing I tabled, Mr. Speaker, is the Rental Market Report: Alberta Highlights released in December '06 by the Canada Mortgage and Housing Corporation. The first page I tabled showed, again, vacancy rates for the two years 2005 and 2006, and the numbers show a clear decline in vacancy across the province, which dropped from an average of 3.1 per cent to .9 per cent in just one year. That is nine units out of a thousand. So when we tell people, "Okay, fine, leave the unit that has been yours for so many years because you can't afford it anymore; we wish you luck finding another one," that's a joke. Only, these people are not laughing.

The second page from that report showed that the average rental costs in the major centres in this province rose again from '05 to '06, about a 12 per cent increase, from \$694 to \$781. So clearly a sign of an overheated market.

Now, we talked about balance, trying to achieve balance between landlords and their expectations, which are fair, to make a buck, to

be profitable, to be sustainable so they can actually have a reason to maintain the property that they own and to allow people to use it as residential units. Not all landlords are bad, and not all landlords are greedy. The majority of them are reasonable, and they're fair. Few, Mr. Speaker, go above and beyond what's considered reasonable and fair, and these are the ones that legislation such as this and other things that we should be looking at in this House should be targeting.

Now, Mr. Speaker, I thought about this issue together with my caucus colleagues as far back as July and August of last year. You know how private members' bills and motions have to be submitted way in advance, even before the fall session of the prior year. So we came up with ideas that we presented, and we thought, you know, that when the time came, this government was going to be receptive because all we should care about here is the people of this province, and the housing issue should not be dealt with from a partisan point of view. So one of the things we did was come up with the idea for a consumer advocate. If you remember, Mr. Speaker, Bill 202 was defeated, unfortunately.

9:10

The Deputy Speaker: Hon. members, under Standing Order 29(2)(a). The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you, Mr. Speaker. My question is this: do you think that renters have a greater sense of stability, are better able to provide a long-term plan for themselves and for their families by knowing that their rent can only be increased once a year, regardless of what that increase is?

The Deputy Speaker: The hon. member.

Mr. Elsalhy: Thank you, Mr. Speaker. I think the answer, to be very brief, is no. People need the assurance and the guarantee and the security of knowing, you know, how much their income is going to rise by, if in fact it does, and also knowing how their expenses are going to increase over time. It's called a budget. People need to budget.

I'm actually blessed to be owning my home, and I'm really, really blessed to have actually bought my home in 1998, when the market was fair. The market was reasonable. The market was behaving, if you want. What we're suffering from now and what we're experiencing is something that is totally out of control. It is an overheated bubble that is bound to burst some time. We know that in this province we have suffered from a depression after there was, you know, a big boom and then the boom disappeared. It got frittered away. Luckily, I didn't experience this myself, but people told me how their mortgage interest rate was, like, 18 per cent or more. I hope this never happens, but who knows? History sometimes has a tendency to repeat itself.

I think people need the assurance that, yes, once a year you're going to see a notice for a rent increase, but they also need to be assured that, you know, it's not going to be 200 per cent or 250 per cent of what you're currently paying just because someone who's moving into this province from a different province or a different part of the world who's coming to work in our tar sands can afford it. They need to be assured that, okay, if it goes up, it might go up as much as inflation. Or if this landlord needs to do major renovations and stuff, this landlord might actually appear before a certain board or a certain agency, like our pilot project for the residential tenancy dispute resolution board, and say: "You know what? I can't customarily agree to a 10 per cent increase. I'm changing my boiler," or "I'm actually adding a security system or something, and I need to raise the rent by 15 per cent." The dispute resolution board

might actually have the ability and the mandate to say: "You know what? That is fair." There has to be a mechanism to accommodate those renters who might be adversely affected.

People need the guarantees and the assurances, like we do. Every Albertan budgets. I mean, theoretically, most of them do. They know how much revenue is coming in from, you know, their salaries or their wages or assistance from the government or their pension cheques, and so on. They also know how much they pay for food. They know how much they pay for utilities, and they know how much they pay for their accommodation.

So the answer to the hon. member is no. Just telling them it is only going up once a year and not telling them by how much it might be going up is totally unacceptable, and it's not fair to these people who really struggle now in this market that we're living with. Again, when members of the cabinet say: "Okay. People are moving here, and everybody's employed, and everybody's finding a home," what they're not realizing is that people are displacing people who are already here. They're taking their jobs, and they're taking their houses, their places of residence. So I think that careful consideration should be awarded. Protecting consumers should be a priority of this government.

I mentioned that Bill 202 got defeated, and I also highlight Motion 513, which is in my name, again calling for one rent increase per year. I would be very interested to see if members from this government vote against it because that's exactly what they're doing in this Bill 34, Mr. Speaker. So that will make an interesting discussion: how they vote on that one. Again, only limiting it to once a year is a half-measure. Also telling landlords, "This is what we expect you to be doing" is the other half that's missing from this picture.

Like I say, Mr. Speaker, it's an issue of balance. We need to be arriving at this balance, not taking sides. Allowing landlords to raise rents with no maximum and no limit is not fair, and if we allow them to, as this government seems to be advocating, then maybe we should do a mandatory code of practice.

Currently government services, or Service Alberta, has a voluntary code of practice for landlords. I think: okay. If we allow them to have their say and raise rents indefinitely and with no maximums, we should force them to have a mandatory code of practice, where these landlords are looked after when they ask for a light to be changed, when they ask for a toilet to be unplugged, when they ask for all these things to be done, for their front door to be fixed, and, you know, for the people peeing in the elevators to be dealt with. We have to have a mandatory code of practice.

The Deputy Speaker: Back on the debate, the hon. Member for St. Albert.

Mr. Flaherty: Thank you, Mr. Speaker. The affordable housing issue has caused a great deal of stress for my constituents in St. Albert, particularly seniors and people just starting out. Let me just tell you why that is. It's because properties that have been used for other purposes, recreational properties surrounding seniors developments there, are now being impinged upon or possibly being taken over for affordable housing. This has caused the seniors in my constituency a great deal of stress. I think it's reflective of maybe – excuse the expression – the age they're in but also the things that they were promised when they bought their houses and their condominiums, their townhouses: that they wouldn't be subject to this problem of affordable housing around them.

So it's probably a lack of planning due to a lack of land development. I think this is a serious situation which we have to recognize. People have been made promises, and their word to keep these

properties around their developments has been changed, and it's very stressful for them. Now, I think what's happening – and I have to give the government some credit here – in St. Albert is we have recently received new lands in the Badger area. I think this is very important for us because this will help us develop, hopefully, a proper plan when we do a municipality in terms of developing part of a municipality and developing proper affordable housing.

I think the thing that I'm getting at this evening is that when we do things like affordable housing, it's important that we have good regional planning, the acquisition of proper lands, and that we plan for affordable housing so that the people that are going to be using it fit into the community and are accepted as part of the community. I think that sometimes when we do these things after the fact, it affects our seniors, especially, again, in St. Albert.

I haven't mentioned people starting out. Our affordable housing for seniors and people starting out is not easily accessible in St. Albert and very difficult. It's a very difficult issue. So I just thought I'd point that out, Mr. Speaker, and thank you for letting me speak on this.

I want to just say one other thing, Mr. Speaker, if I can. I must pass an accolade to the minister of municipal affairs. This afternoon I was going home, and I was thinking how well he handled the issue in the House today. I think that's not an easy thing to deal with with all this stress on. I think all of us want to see affordable housing for the good people of Alberta and to do the best we can for them. I want to commend him because today was a difficult and trying time for him, and I thought he handled it very well.

Thank you, Mr. Speaker.

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

Mr. Snelgrove: I listened very carefully, but what I think I heard the hon. member say was: solve the affordable housing problem but not in my backyard; keep all these people away from our community or where our seniors are. I find that quite remarkable for someone who shows a great deal of compassion. Could he clarify that?

Mr. Flaherty: Yeah. Maybe I was so nervous that I probably did say that. I'll have to check the *Hansard*. What I was trying to say, clearly, to the House was that in St. Albert we have seniors' housing. When they bought this housing, they were promised that the land, the parks around would not be touched, that it would be that way forever, you know, when they bought the land. Now what's happening: they're worried that affordable housing is going to come in and take that land that was not going to be touched. It does affect their thinking. They feel that the promises have been broken. That's the thing they're worried about.

Now, I don't know if I'm clarifying that for you or not. I'm not suggesting that they're not concerned about other people, but I'm saying that they're concerned that when they bought, the parklands around them were going to be like that for their lifetime, and now it's possibly not going to be that way. That's what I was saying.

Thank you.

9:20

The Deputy Speaker: I have four more that wish to participate under this standing order: the hon. Member for Edmonton-Ellerslie, followed by the hon. minister of intergovernmental affairs, followed by the hon. leader of the NDs.

We have Edmonton-Ellerslie.

Mr. Agnihotri: Thank you, Mr. Speaker. We all are talking about

apartment owners, rent gouging. What about all natural gas companies? They are gouging prices more than 50 per cent, so what measures is this government going to make?

Another question I want to ask. The Alberta government subsidized for higher gas bills, and also I think that in the '80s they helped the banks to give some percentages of, you know, mortgage compensation. Why can't they help the renters now?

The Deputy Speaker: The hon. Minister of International, Intergovernmental and Aboriginal Relations.

Mr. Boutilier: Thank you, Mr. Speaker. My question would be to pose this question. The comment relative to seniors – and I appreciate the comments he made about the hon. Minister of Municipal Affairs and Housing. I think that certainly shows his balance in terms of this approach. But he did mention in terms of what people were promised in their neighbourhood, based probably on other municipal governments at the time. Clearly, it was without question probably a zoning issue that he's making reference to. Even with that in mind and in the changing world that we live in, I pose this question. You know, if in fact today there is land in his community or any community that ultimately could be allocated for affordable housing, which is so very important, even if residents that vote for you or anyone is saying, "Well, no, we don't want it here," would he accept the fact that maybe they would have to suck it up and that it would go there because of helping the greater need of people who are less fortunate in having a place to live?

Mr. Flaherty: Well, if you're asking that question, I think it's a matter of – and I don't want to pick on the realty companies. But I think that's probably where the promises were made when they bought the property. I think you're absolutely right. I think it's a question of education and being able to accept other people and the way they live. I think that's what we have to do. But it's very hard to go to seniors that have invested this amount of money in these homes and tell them that because it's such an emotional issue. I think we have a matter of education to do here, and, yeah, I think we have to suck it up.

It reminds me, quite frankly, if I may be honest, of when I was working as a regional director in Peace River. I could not believe it, but when we were asked to put a group home in Peace River, we found that it created such a furor that we had to move the home down the road, about 30 miles west – I think it was Fairview College – and that's where we put the home. There was such a rebellion about putting it in the town of Peace River and the community we wanted it to go in.

Mr. Boutilier: Is there a supplemental on the point?

The Deputy Speaker: No. I have another member, but the time has run out.

Are there others that wish to participate in the debate?

Are you ready for the question?

Hon. Members: Question.

[The voice vote indicated that the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 9:26 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Abbott	Dunford	Melchin
Backs	Goudreau	Oberle
Boutilier	Groeneveld	Ouellette
Brown	Jablonski	Rodney
Calahasen	Johnson	Rogers
Cao	Johnston	Shariff
Cardinal	Liepert	Snelgrove
Cenaiko	Lindsay	Stevens
Coutts	Lund	VanderBurg
DeLong	Magnus	Zwozdesky
Ducharme		

Against the motion:

Agnihotri	Elsalhy	Miller, B.
Blakeman	Flaherty	Pannu
Chase	Martin	Pastoor
Eggen	Mason	Swann

Totals:	For – 31	Against – 12
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[Motion carried; Bill 34 read a second time]

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

[Mr. Marz in the chair]

The Chair: I would call the Committee of the Whole to order.

Bill 34 Tenancies Statutes Amendment Act, 2007

The Chair: Before I ask for any comments or questions or amendments to be offered with respect to this bill, I've been advised by the Official Opposition and the government that shorter bells would be in order and agreeable. Is that agreeable? It requires unanimous consent.

[Unanimous consent denied]

9:40

Mr. Snelgrove: Well, what a treat to be here to continue the debate on Bill 34, changes to the Residential Tenancies Act and the Mobile Home Sites Tenancies Act. I guess what I would like to say is that this is a bill that talks about stability in rent increases. It talks about getting kind of a standard approach or a longer approach that would identify or connect us with our neighbours, British Columbia and Saskatchewan and others. That's asked for here. I think that's a reasonable thing.

If someone's in a condo and someone wants to move them out, it can take a year to find another place. Giving them notice that they're going to move out with no rent increase certainly gives them an opportunity to start to shop around for where they would want to live, or someone that's going to be subject to major renovations also has a year with no rent increase to deal with. In fact, Mr. Chairman, most people deal on a yearly basis with their income adjustments. So holding the landlord to the same kind of fair assessment – once a year is a reasonable time to identify what their costs might be.

Mr. Chairman, there's nobody in this House that either likes or justifies extreme rent increases. There's nobody in this House that

doesn't want to see all Albertans have the opportunity for affordable housing. There's nobody in this House that doesn't hope that their kids and their grandchildren have an opportunity to buy a home or a condo or a mobile home if they choose or to rent if they're coming in to school.

You know, we are promoting in this government how important it is to further your education, but I think everyone in this House would agree that there's not a lot of point in sending students to Edmonton to take courses if they don't have a place to stay. So it is a very, very complex problem that will require a lot of co-ordinated effort from all the departments, including agencies like universities, technical schools, and colleges that are going to have to admit that if we're going to take in these students, we may be required to have a place for them to live.

We may have to revisit how we approach major developments in our areas, be it close to major centres or Fort McMurray, that will say if you're going to come in and require a workforce of 5,000 or 6,000 or 7,000 people, you might be required to provide housing. Like the hon. Member for Fort-McMurray-Wood Buffalo has said, they used to do that.

In my community of Lloydminster when Husky Oil Ltd. came in to build the upgrader, they sat down and built residences that they were able to use for their staff while they built the upgrader, and then they turned them over to Lakeland College as residences. It was a very successful, be it ahead of its time, public/private partnership.

When we say that this bill isn't the answer to all of the ills that are facing people out in the workforce now and all the people that are looking for housing stability, this is one component of it. You can try and make it more than that, but that's not what this bill is about. This bill is about rent stability that says: "Give it a year like our neighbours in B.C., like our neighbours across the country. A year's notice to increase your rent is fair."

[Mr. Shariff in the chair]

I might be accused of being right wing occasionally, and I might be accused of being heartless or whatever. Actually, one person that probably doesn't know me at all even accused me this last weekend of being lovable. I can't believe it myself.

The fact is that I can understand why a year is fair to either evict somebody from their mobile home site or from their condo or to give them a rent increase. That's a practical, common-sense approach to putting stability into the marketplace. Yes, there is an opportunity at the end of that time to raise rents to what might be far past what that person has, but there is a fundamental difference in many ways that we look at things. One of them that we have here is a respect for your right to own and use your property.

I know that you can blame our ideological differences and say: "It doesn't matter that that's the landlord's money invested. We feel so strongly about these people without homes that we're going to take money that you built into a system, that you built into an investment." We're going to say: no, you can't do that. But, you know, when the stock market was going great and people were making 22 and 23 per cent returns, like some of you might have done in your RRSPs, nobody got up and said: boy, that's too much; the government ought to step in and take that back. That was the market at work, and you made a good decision to invest.

Some of the landlords have made a very good decision to invest in houses. I lived through the '80s. I saw what happened to a lot of landlords who invested then, who lost everything because government spending and other forces drove interest rates far past their ability to ever, ever pay for that lodging, and they lost it. The

government never went and saved them. We said: you took a risk, you invested in that sector of the business community, and now you have to live with it. Some of them made good decisions. But by far and away, most landlords are conscientious, diligent providers of lodging for their tenants, and they truly care about them.

What we're saying in this bill is: let's put stability into those increases; let's put stability into the notices around condo conversions. Slowing down condo conversions is a stopgap. It's still lodging. These condos that are being converted are not empty. The only answer – and you know it; I know that you know it – is to increase the supply of units. That's the answer. No matter what you think, with a magic waving wand or whatever magic dust you want to wave, we can't magically create all these units overnight. We have to work with every single opportunity we've got to support the people that are looking for it with every program this government has. The Premier has made it an absolute number one priority, and that's what we're doing.

In Bill 34 we're simply saying: doesn't it make sense to take a year, put on notice? Let's keep it consistent, and then we will work very carefully. You know, we've heard so much from the opposition about how nothing has happened, yet if you were to look into the affordable housing strategy, the RASL program, starting in 2005 – and the hon. member from Lethbridge would surely know – two of the projects were in there: 2,103 units starting in 2005.

So the suggestion that this just fell on this government, that we're just reacting, is simply wrong, and I know that you know that. It's a lot easier to make the headlines in question period, but the fact is that it's going on; it's happening. Many of these projects that started in 2005 and 2006 are opening this spring. Now, that was Albertans' money that we were fortunate enough to be able to redirect into affordable housing all over this province in recognition of what was going to come.

Ms Blakeman: Tell the truth. It came from the feds.

Mr. Snelgrove: Well, strangely enough, on this side of the House we do. It certainly isn't catching, I can tell you that.

The fact is that this bill merely puts rent stability into the program. It's one of the tools, certainly not the only tool. But we can sit here, and the longer you want to debate, you need to know that you can keep it here till the middle of July. You're the ones that talk about uncertainty in the marketplace. Yes, there is. And if they listen to some of your questions, I can understand why. The fact is that this makes it very clear: give your notice, and then you have a year. It's as simple as that. You can make it out to be whatever you want, but that's what the bill is.

I look forward to the debate, Mr. Chair.

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

Dr. B. Miller: Thank you, Mr. Chair. You know, the problem that the hon. member is talking about is stability. I suppose that's the right word to use. We want stability in the marketplace. But the hon. member admits that this is only one component. What are the other components? There's not a complete package here. We need to have a complete package to be able to handle something as serious as this issue and not just the one component.

That was the intention of our task force on housing, to suggest that there should be a package of components, ideas, tools that can be used. I mean, if you're going to intervene in the marketplace, you are intervening by having this particular bill. The one year: that's an intervention. Is it the right kind of intervention? Shouldn't there be more in terms of regulation of the whole rental sector?

Mr. Chairman, I would like to make an amendment to this bill, especially to focus on the need for a guideline in terms of the rent increases.

9:50

The Deputy Chair: Hon. member, do you have the amendments with you, or are they at the table?

Dr. B. Miller: They're at the table.

The Deputy Chair: Okay. We will make sure that they are circulated. We'll just wait for a moment while the pages circulate them, please.

In the meantime may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Chair: The hon. President of the Treasury Board.

Mr. Snelgrove: Thank you, Mr. Chairman. It's a great pleasure for me tonight to introduce two of our colleagues from Saskatchewan. They had a dinner in Edmonton for their leader, Mr. Brad Wall, and they've come down to watch how we work here in Alberta. It's very nice for me because I share Lloydminster with an MLA from the Saskatchewan Party. He's a wonderful man. The two that are here tonight are Mr. Ken Krawetz and Mr. Don McMorris. I would ask them to rise and accept the warm welcome of the Assembly.

Bill 34

Tenancies Statutes Amendment Act, 2007

(continued)

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

Hon. Member for Edmonton-Glenora, you may proceed.

Dr. B. Miller: Thank you, Mr. Chairman. I would like to move that Bill 34, Tenancies Statutes Amendment Act, 2007, be amended in section 1(4)(b) by adding the following after the proposed subsection (8). This would be subsection (9).

No increase in rent payable under a residential tenancy agreement shall be greater than the rate of inflation as measured by the All-items Consumer Price Index for Alberta published by Statistics Canada for the immediately preceding year, plus 2%, for the period April 24, 2007 to April 23, 2009.

Mr. Chairman, this amendment is exactly what the government task force on housing recommended. It was a part of their suggestion about a rent stability guideline, which the government has chosen not to pay any attention to. I think that it's very serious that we have some sort of cap. This is similar to what is present in B.C. The cost of living is around 5.5 per cent, so plus 2 per cent is around 7.5 per cent. Surely many landlords would find this acceptable, that they can put up rent increases, then, once a year with a cap of CPI plus 2 per cent.

People often say that, you know, if you have this kind of rental guideline, it's interfering too much in the marketplace and it doesn't encourage new rental accommodation to be built. Actually, CMHC, Canada Mortgage and Housing, did a study some years ago about the effects of what they called rent controls. In fact, they studied this over a couple of decades, and their conclusion was that there's no convincing evidence that rent regulations as they've existed in various provinces in Canada from the '70s through the '80s and into

the '90s had significant effects on the construction of rental units. It didn't have any effect on the market in terms of rental units being built or in terms of rent increases and so on.

But it did have an effect on the people who are the most vulnerable. Where rent controls, rent guidelines, as we're calling them now, are in place, it's a protection of the renter. It's a protection of people who are on a limited income, people who are on social assistance, low-income workers, people who are vulnerable, especially single- or lone-parent families. One-quarter of families in Canada are lone-parent families, so that means that there's only one wage earner in the family. They can't possibly absorb the tremendous increases in rents that we have.

We owe it to this huge population in Alberta to protect the renter. Now, this doesn't have anything to do with the supply. It won't have any implication for the supply, and CMHC has pointed that out, that wherever these kinds of guidelines were in place, it didn't affect the building of new accommodation one way or the other. People still continue to build rental accommodations, and that will happen in Alberta too.

Mr. Chairman, I think this is the best thing. This really strengthens the bill because the missing component is exactly what we suggested in our task force. I mean, we thought long and hard about this because it's a serious thing when you start to establish regulations with respect to any kind of economic sector, so we debated it back and forth. We had people on our task force who were close to the housing industry, and we had people who represented people in the inner city of Edmonton and other places. We had an array of representation on our task force. We talked long and hard about this, about whether we should have such guidelines or not, but we all agreed. Because of what we heard everywhere we went in the province, we responded to the plight of the renters, who were losing their homes right now. That's why we need something like this in the bill to strengthen the bill, to make it possible for people to stay in their homes, especially those who are the near homeless, who are just one rent increase from losing their apartment. There's a tremendous worry about what's going to happen to those people. So I think this is the kind of thing that would really strengthen this bill.

Mr. Chairman, I look forward to the debate on this amendment. Thank you.

The Deputy Chair: Hon. President of the Treasury Board, did you want to respond?

The hon. Member for St. Albert.

Mr. Flaherty: Thank you, Mr. Chair. I would like to speak on I believe it's part of amendment A1. It has become clear that the government's response to the affordable housing crisis has failed to address a critical issue. What are renters supposed to do in the short term until more affordable housing units come on stream? The only way to protect Alberta renters from rent gouging in this out-of-control housing market is to introduce temporary rent regulations limiting the amount that rents can be increased. It's the government's responsibility to listen to Albertans and respond to help them. This is especially true when the market fails to provide stability as is the case today. Albertans have spoken clearly on this matter. They desperately need short-term protection, as my colleague has just commented on. It is the government's duty to address these concerns even if the solution falls outside their political ideology. It is important to act in the best interests of the citizens, not in the best interests of the political party's ideology.

The rationale that the market will solve the crisis in time does nothing to help people now, Mr. Chair. The market does work effectively most of the time, but there are extraordinary times, like

now in Alberta, times like we have in this province, when the market is so destabilized that it cannot provide the stability people need to keep their homes. There is no disputing that the extreme growth pressures in Alberta have distorted the market to such a degree that the government needs to intervene in the short run to create artificial stability until market conditions improve. When that happens, rent regulations will disappear. These are temporary measures and will end on a defined date in the prescribed period of time. This is the most balanced approach that the government can take to solve the crisis.

10:00

Perhaps the clearest explanation of why temporary rent regulations are needed is found in the government's own Affordable Housing Task Force report. To quote the report directly:

The decision to recommend this protective measure was a very difficult one for this task force. There was clear concern among many members about the impact of rent guidelines on overall new rental supply, and on rental rates once guidelines are removed in two years. At the same time, the task force was confronted everywhere with the plight of renters who were losing their homes right now.

Right as we speak.

These people have few other affordable housing options in today's overheated [economy]. The task force understood that keeping people in their current homes wherever possible is essential while dealing with the urgent situation Alberta is facing.

The report clearly articulates why temporary rent regulations are needed. Albertans, thousands of Albertans everywhere and from all walks of life, need them, most importantly of all, because everybody needs a home. That is why the Alberta Liberal caucus is introducing amendments to introduce temporary rent regulations. We believe that the government must respond when the citizens they represent demand action. We urge all members to please listen to the desperate cries of Albertans for help and amend Bill 34.

Thank you, Mr. Chair.

The Deputy Chair: The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Chairman. I'm pleased to rise to speak to the amendment by the hon. Member for Edmonton-Glenora. He is moving that Bill 34, the Tenancies Statutes Amendment Act, 2007, be amended in section 1(4)(b) by adding the following after the proposed subsection (8):

(9) No increase in rent payable under a residential tenancy agreement shall be greater than the rate of inflation as measured by the All-items Consumer Price Index for Alberta published by Statistics Canada for the immediately preceding year, plus 2%, for the period April 24, 2007 to April 23, 2009.

Mr. Chairman, I want to indicate that I certainly support this amendment. I think it's a very good one and, in fact, has formed the core of the debate that we've seen over the last several weeks in this province as it is based on the Affordable Housing Task Force recommendation. I just want to indicate that it was pretty clear that that task force heard from hundreds and hundreds of Albertans and that this was one of the major issues that they addressed as they travelled around the province and that the kinds of things that they heard were not just limited to a couple of centres but, in fact, were expressed by Albertans in all corners of the province.

The government, of course, took that report and made decisions about which recommendations they would support and which ones they would reject behind closed doors, in secret, hidden away from Albertans who were not privy to the contents of the report and could not join in the debate. So the government chose deliberately to exclude Albertans from the debate until after the decision was made.

Mr. Chairman, that is unacceptable as far as I'm concerned, certainly from any government that claims to be reforming democracy and becoming more open and more transparent and more accountable. It is really unacceptable and, frankly, quite disturbing that a government would continue to operate in that way while attempting to convince Albertans that they had really changed their spots. Well, I don't think this government has changed its spots at all. You know, it's pretty hard for a leopard to change its spots or a skunk to change its stripes. I don't know, but there is a certain smell about this particular approach that is fairly pungent.

I want to say in response to the President of the Treasury Board, who argued that this brings rent stability, that I would argue that without an amendment like this there is no real stability. In fact, you're replacing a series of significant but smaller increases over a period of time with gigantic, single jumps. How that increases the stability, Mr. Chairman, is beyond me. In fact, it sounds even a little less stable because people go along for a year and then they just hit the wall.

The minister indicated that a year is enough time to make a move. The question is: where do people move to, and why should they have to move in the first place? Mr. Chairman, there's always mobility in terms of housing, and mobility is higher among people who rent than people who own, obviously. Nevertheless, it is clearly the case that people should not have to be moving all the time, even if they've got a year's notice, because landlords are charging rents that are unfair and unaffordable and particularly so when there is no alternative housing at an affordable rate that people can move to. So you've got a year to look for housing that doesn't exist, and that is not doing the job for the renters of Alberta. That's why we don't support this bill. It doesn't really give stability. It is, in our view, an example of false advertising.

Now, I indicated, Mr. Chairman, that we would be supporting this particular amendment. It is similar to an amendment that we talked about this afternoon, that we'll be introducing later if this amendment should tragically be struck down by the tyrannical majority opposite. I want to indicate that it is very similar to the task force report recommendation. It's also compatible with NDP policy with respect to this issue.

Mr. Chairman, there is a slight deviation, however, from the Alberta Liberal policy, and I'll just read that. It says that an Alberta Liberal government would enact temporary rent regulations. The Alberta Liberal housing policy, *Because Everybody Needs a Home*, which was released in January, calls for a "one-time, one year long temporary rent regulation measure that limits rent increases within that period to a maximum of 10%." So the Liberal policy is a 10 per cent increase with a limit only of one time, one year. This particular amendment from our Liberal colleagues talks about a consumer price index for Alberta plus 2 per cent. That's based on the task force report, and of course that's also based on the Alberta NDP policy.

So, Mr. Chairman, how can we not support this amendment, which clearly reflects our policy with respect to this? We've always felt, quite frankly, that this is fair. This is fair. It allows an increase for the landlord. It allows an increase of not just the increase in the consumer price index, but 2 per cent on top of that because we are, in fact, generous and well-balanced and not dogmatic, unlike the members opposite. We know that costs go up. We know that there is a good market for landlords.

We also – and I want to make this clear – actually think that this kind of approach makes a lot of sense, frankly, because we do believe that the majority of landlords are well-meaning people. There are many people around Alberta who are small landlords, Mr. Chairman, who maybe have a basement suite or a small duplex or

something like that that they rent out. These are people just trying to make their mortgage payments. These are not big, evil people that are out to screw tenants, but in the kind of market the government has created there's going to be substantial upward pressure on rents across the board.

10:10

Nor do we think that people like Boardwalk are actually evil, Mr. Chairman. We heard that response from the opposite side a little bit earlier today in response to some of our questions. You know, how can you pick on poor Boardwalk? Well, we don't pick on Boardwalk. We simply quote from their annual report because they're reporting to their shareholders in an honest and straightforward way. What they say, to paraphrase, is that people can no longer afford houses and that they can't break into the housing market, so they're forced to rent, and it's increasing the demand for rental accommodation. There's a shortage; therefore, there's a higher market value associated with the rental accommodations. Like good free enterprisers they understand supply and demand. They know that there's a shortage of supply, that there's an extra amount of demand, so the price of the commodity, in this case rental accommodation, rises very dramatically. And that's fine. We have no problem with that.

We also accept what the government has said, that the only real solution in the long run is to increase the supply of housing. The government has taken some very modest steps to do so, and to the extent that they're prepared to do that, Mr. Chairman, we have supported them, and we will support them, but we know that it's going to take more than the government is prepared to do at this time to actually meet the needs of the people for a supply of housing. But until that housing is built, it is not going to affect the market. The government has said itself that the minimum period of time is two years. We've asked this question over and over again: what do people do in the intervening two to four years before the additional housing comes on the market? What are they supposed to do?

The government claims to have a balanced policy, but the only answer they've got for those people is that if they get evicted, then there's this fund that they can apply for. Well, why should they be applying to the taxpayers for relief from rent increases that shouldn't happen in the first place? Why is this government subsidizing the landlords by letting them charge whatever they want and then saying, "Well, if you get kicked out, you know, if the inevitable happens, and you've got no place to live, we've got a whole bunch of taxpayers' money that we're prepared to provide to you"?

Mr. Chairman, I don't really think that that's the approach that the people of this province want because it involves the use of their hard-earned tax dollars to support the landlords who, in many cases, are charging, of course, what the market will bear, but because of the government's mismanagement of the economy and the lack of planning that's taken place, there's a severe shortage of housing, and I consider that a mismanagement of the economy.

I know that the hon. President of the Treasury Board thinks that as long as everything is booming, how can you say that we've mismanaged the economy? I didn't hear him say that, but at this point I can almost read his mind, Mr. Chairman, and I just got a psychic flash from him that that's exactly what he was thinking. And you know what? It is mismanagement. It is mismanagement.

You can pull all the stops out to get as much economic growth as you want, particularly when you've got a commodity in large amounts that the world needs and is desperately short of. Then, of course, you can have very rapid economic development. If you take away most of the environmental regulations, if you take away a lot of the regulations around rights of working people in the province

and if you take away any real burden of royalties and you cut their taxes as well, it's pretty obvious that the economy is going to roar to life, and that's no great accomplishment under the present circumstances. What they didn't do was take into account the effect that this rapid economic growth was going to have on the people of this province. They did not prepare the infrastructure. They did not make sure that new schools would be in place, that there were enough hospitals, that there were enough ambulances, that there were enough trained personnel. They did not make sure that we will have enough water to support the economic growth that's taken place, and they certainly didn't take any steps to make sure that there would be enough housing. So of course, Mr. Chairman, we find ourselves in the current situation where people are losing their homes, ending up on the street, and the government is very proud of its economic record because they don't think that those things are part of economic development or economic growth.

Well, Mr. Chairman, we on this side certainly disagree with them. The Alberta New Democrats believe in economic growth and economic development, but it needs to be balanced, and it needs to take into account the human needs of people and the needs of communities. They need infrastructure, and they need access to health care and education, and they need roads that aren't going to break their axles when they drive down them. I have a couple of bones to pick with whoever is the infrastructure minister at the moment about the state of the roads in this province. It's not just in Edmonton. It is getting very bad because the government, of course, has neglected our infrastructure so badly.

But I want to come back, Mr. Chairman, to the whole question of housing and to this particular amendment. It certainly seems to me that a reasonable increase for landlords is fair. This amendment would set out a fair increase that would be available to all landlords. I certainly think that the intent here is, well, that if there are extraordinary expenses that are required by a landlord as a result of renovations or necessary changes to a building code or fire code or something like that, that are extra costs, there needs to be a mechanism where they could come forward and justify those costs in order to get a rent increase beyond this approved. We would support that as well.

Mr. Chairman, you know, I just want to conclude by saying that we have always argued that rent guidelines should be a temporary measure and should be put in place only as long as they're necessary to bring on a sufficient supply of new housing so that the market again reaches an equilibrium point. We have also made it very clear from the beginning that we do not believe that these guidelines should apply to new housing units that may be being built now or built in the future so that they don't provide any disincentive to developers or landlords for the development of badly needed new housing. But I certainly think that with those limitations on rent guidelines the government's arguments against them really lack validity. They keep repeating that rent guidelines don't work almost as a mantra, almost as if they just can clutch a religious artifact closely to their breasts and really, truly believe and chant that that's true no matter what the facts show.

Mr. Chairman, there are cases where rent controls have had a negative impact, and there are also cases where rent guidelines have worked very well and have provided protection for tenants while not interfering in new investment for rental housing. We don't have to look very far to find examples of that. In particular, we know that in Ontario, which has had rent guidelines for some time, the number of starts on new rental units has risen quite dramatically. Between 2000 and 2006 it's risen 88 per cent, whereas in the same period in Alberta, which has no rent guidelines, it's dropped 52 per cent, Mr. Chairman. These are facts. The government can look them up. I

see that some of the ministers opposite are looking at a computer, and I'm assuming that they are googling statistics in order to confirm what I'm telling the House. Sometimes I can't read the minister's mind as well as at other times.

10:20

Nevertheless, those facts are out there. There is a track record that can be checked. If you go across the country, British Columbia has rent guidelines. Manitoba has them but, interestingly, only in Winnipeg, Mr. Chairman, because they're not needed elsewhere, and if you don't need them, why would you bring them in? And then Ontario. So they are far more common than people would think, and, you know, they are not toxic. They may be un-Conservative, but there are many Conservatives in this country that are realists. Unfortunately, they are not in the majority in the government caucus. I think that there are some there, and I would certainly hope that those members that are realists would support this amendment.

The Deputy Chair: The hon. Minister for International, Intergovernmental and Aboriginal Relations, followed by Edmonton-Centre.

Mr. Boutilier: Thank you, Mr. Chairman. On this amendment, I find it interesting in the discussion tonight that the leader of the New Democratic Party indicated that they support economic growth. I find that, of course, very, very shocking based on the fact that ultimately, they really have wanted to shut down the oil sands sweet blend in terms of what they're producing.

So I need to be absolutely very clear. If you support economic growth, you don't want people in Fort McMurray being without jobs producing energy for the entire country and, for that matter, part of America as well. I think it's really important for the oil sands capital of the world that ultimately – I recall, having had the honour of serving as its mayor, in fact, during economic growth. Before that we actually had a bridge to nowhere. We overplanned, the province, and spent \$50 million on a bridge to nowhere, and now it's a bridge to over \$80 billion of economic growth.

The province, in fact, at the time built a hospital of five floors, and two of them were empty. They sat there, and the government was criticized for overplanning. We actually built, as the mayor, a city water treatment plant for 85,000 people. There were only 35,000 of us paying for that, and we were criticized for overbuilding. Furthermore, we built and paved roads with fire hydrants and street lamps where we used to teach our kids how to drive, but there were no homes there. We overbuilt our infrastructure. This, believe it or not, was only eight and a half years ago. So there's economic growth.

And you know what we had? We actually had landlords that used to give three months' free rent on furnished apartments for \$400. At a time when their mortgages were \$1,000, they were collecting rents of \$400. So on the amendment one question I would ask: would it be appropriate, then, to suggest that during those times when there is no economic growth, there is a role in terms of that balance, in terms of the fact that they're paying a mortgage of \$1,000 and only collecting \$400? What should we be doing? It appears that in those times everyone is silent about that, yet we still want to attract more supply to get more housing on the market.

I know that as a mayor and an alderman back then – in fact, the hon. member at the time was an alderman himself and did a very good job with the city of Edmonton – we were saying: how do we move to get more supply in the market? In fact, I believe there is a comment about geniuses seldom differ. But at the same time – what is the comment about fools? What is the term? Well, I think the term is that basically we can either all agree or maybe all disagree.

Really, if we think about that balance today on this amendment, Mr. Chairman. I think it's important that we take an approach that is balanced, that is practical, and that can serve, ultimately, what we both want, and that is getting more supply on the market, providing certainty to help those families, be it seniors or middle-aged or young people, to ensure that they have a way to earn a good living and are able to live in a proper accommodation. Going back 25 years, we had tent farms of a thousand in Fort McMurray. I'm very pleased to say that we don't have that today because of the reinvestment of over \$400 million.

Striking that right balance is something that I believe – I take him at his word when the hon. member says: we support economic growth. I just want to let you know that in the future we are going to have a variety of economic opportunities in the oil sands. We're actually supplying energy to Ontario and to other provinces. Ultimately, if we're going to continue to do that and provide great jobs to Albertans and to the new Albertans that come here, we need to continue to provide them homes. But we don't want another bridge to nowhere. We don't want another hospital with two empty floors and another water treatment plant almost, like, 50 per cent underutilized because we overbuilt.

This government not only overbuilt; we planned ahead. We had a very good plan that not even the market could keep up with, and I give you the best example of that in housing. There were homes in Abasand in Fort McMurray, in my city, that were selling for \$30,000 and renting. You know what? If the market was so smart in all of this – and here I am as a Conservative saying: the market could never have imagined what was taking place. The government certainly had to plan, which we did, but no one could have imagined that fact that \$30,000 homes then are now selling for over \$300,000, that people are buying and renting because the market will bear it.

So even when private businesses suggest that, you know, well, the government could not keep up with the plan, you're right. They couldn't. But I also want to say: nor could the market, based on the unanticipated incredible growth that is taking place in this province.

I admire the hon. member when he says: we support economic growth. I can assure you that that is what's happening in this province based on the excellent principles of this government.

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

Ms Blakeman: I know that my colleague really wants to get up and rebut him, and I'm sure he'll get an opportunity.

Mr. Mason: I will. We have all night.

Ms Blakeman: That's true. We have quite a bit of time ahead of us.

I'm pleased to have the opportunity to rise and speak in favour of the amendment that was brought forward by my colleague from Edmonton-Glenora, which is seeking to amend section 1(4)(b), essentially bringing into play another of the recommendations that was brought forward as part of the task force. Essentially, this is supporting a critical component that would make this bill workable and would start to move towards creating stability in the housing market.

What we have now is instability. I would argue that the single component in this bill of a notice period has, in fact, created great instability in the market, even chaos, and certainly we're seeing that from the individuals who have come down to the Assembly. Some of them have met with the minister of housing. Clearly, from the stories that are pouring into our offices, that's what has been the result of what the government has done.

I think the situation goes much further back, Mr. Chairman, because I am seeing two ongoing deficiencies from this government. One is a lack of planning, and with that is a lack of research, a lack of monitoring, a lack of forward planning and thinking by the government about where we're going, what we can expect to see out in front of us. What are the statistics telling us? What are the demographics going to be? Really, the largest collectors of that kind of information are the governments that we have in this country. They're the only ones that are capable of amassing that data and interpreting it and then using it and using the analysis to plan how we are going to provide government programs and services to the people. This government has failed to do that and particularly around this issue.

10:30

Now we have government members standing up in complete shock and amazement at how we managed to get to this point in time. I say back to them: "Well, you shouldn't be shocked and amazed. You're the government. You're the one that had your finger on all the possible studies and plans and analysis. You should've seen this one coming." Boardwalk saw it coming. It's in their annual report. They were able to tell in their annual report exactly what was anticipated for growth in the market, what the vacancy rate was likely to be, how far they could push the rents. They certainly have done that analysis. Now I'm hearing that the government didn't, that they're surprised and shocked and amazed that we got to this point in time. That, to me, is much more telling about the condition that this government is in than almost anything else that they've said or done.

The second major ongoing deficiency that I see from this government is a lack of forward-thinking ideas. What is your idea about housing? What is your plan for the future? Do you have a vision, like the Alberta Liberals do, that says that everybody needs a home? It doesn't seem like it. Do you have a plan or a vision that says that you want to see, you know, X number of units established in the rental market? A certain percentage of people would be in the rental market; a certain percentage would own their own homes. This would require X number of units to be built on both sides of this by a certain period of time, adding on X number of units for each year in the future as our population reaches different amounts.

I don't see that. What I see is that the government doesn't have any ideas. They put together a task force. They rush it through 45 days of consultation and research. The task force comes forward with ideas, and then the government doesn't take the ideas. They cherry-pick one idea off dozens of recommendations that were brought forward by that task force.

Just a quick look at what was put forward under the immediate situation, the eight immediate measures to tackle the shortage.

One, we'll establish a homeless and eviction prevention fund. Well, I think the government is going to do that but not right away. Every day they get up in this session and try to make the public think that this plan is in place. They actually read out a phone number. When people phone it, they're told: "I'm sorry; this actually won't be in service for two months. This program doesn't exist. Call us back in two months." Well, that's darn cold comfort to people that have been given a rental increase of several hundred dollars and have to be out in a month. That fund is clearly not going to help them. It won't be established in time to help them.

Two, stabilize volatility for renters. Under that is, first, introduce two-year rent stability guidelines. Well, that's where we're getting part of this. We're getting a notice period, but we're not getting a rent cap. That's why supporting this motion, which essentially puts in place a rent cap, is so important because it ties it to what is likely

to happen as we move forward. Second, use capital grants to stimulate rental construction. Well, absolutely nothing said about that. We get all kinds of numbers – millions of this, gazillions of that – thrown at us in question period, not tied to anything specific. Once again this government is basically abdicating responsibility for involvement in building new rental units or in building affordable housing. Third, introduce new guidelines for condo conversions. Well, we're getting part of that in this but not the rest of it.

I mean, those are two points out of eight from what was recommended by this task force.

Three, there are things like increased funding for temporary emergency shelter spaces. Under that, shelter allowances and the Alberta homeless initiative.

Four, establish and fund an Alberta transitional housing initiative. Now, that's one I've asked questions about in the House because a number of the people that I work with and that I continue to represent are people that are really trying to improve their lives. They are women and children who have experienced domestic violence, who have gone to an emergency shelter. They're trying not to go back home into that situation. They're trying to move into transitional housing. Do they have transitional housing? Can they access it in this province? No, they cannot. So they end up going back into the same situation, and that costs us money. As taxpayers all, that situation costs us money. It costs us in lost productivity. It costs us in health care. It costs us in long-term effect on the children in those families. It's an enormous cost.

I have this government across from me that goes: oh, we're tough Conservatives; we're fiscal managers. No, you're not. You waste money all the time, and you waste it because you don't pay attention to stuff like this. Instead of investing in transitional housing for places like WINGS and the work that the Lurana Shelter does and WIN House and the WIN House transitional housing, no, they're not going to bother with that because, heck, you know, they'll save the money. Well, it's very short-sighted thinking.

Five, increase Alberta's rent supplement program allocation.

Six, enhance capital to leverage a maximum supply of housing: stimulus for transitional, supportive, and affordable rental housing; home ownership support over five years; aboriginal housing trust.

Seven, enable greater flexibility in the use of capital grants.

Eight, ensure quick release of suitable Crown lands, surplus provincial lands, and surplus school sites.

So there are their eight points for an immediate situation, of which we're getting two. We're getting a notice period on condo conversions and a notice period on rent increases. The rest? Well, it's coming, but it's not in this legislation. It's not part of what we're looking at here.

You know, again, this situation should have been no surprise to this government. The Alberta Liberals saw it. We saw it last summer. We went and held a town hall in the fall. As a result of that, we did a draft of a housing policy. We circulated it over a period of time. We came back and did a final version of that and released it on the 15th of January. So that housing policy has been out there for four months now, yet the government here is surprised that we're in this situation.

I guess my question is: did the government know this information and ignore it, or did the government not even see it coming? I would argue that either of those scenarios is a pretty frightening thought around a government that's supposed to be managing growth because, clearly, they're not. We have unmanaged growth, and we have no planning.

Government ideas for the future? We don't know. You know, we have the task force, and as I said, they've ignored most of the work that was done, which was carefully thought out with a series of

interlocking incentives and punishments where those incentives didn't work. So it was meant to be an interlocking package, and the government has essentially cherry-picked through it.

I mean, what was the government thinking? That they would announce a one-year moratorium without the rent cap that goes with it? What did you think was going to happen? How could you not foresee that landlords would turn around and go: "Oh, my goodness. I can only do one rent increase a year. Let me slam through a \$500 a month increase or a \$400 a month increase or a \$265 a month increase"? What did you think was going to happen? Did you honestly think they were just going to say: "Right. I'll just stick to that \$35 increase, and I'll only do one a year"? Of course not. They were going to go for the maximum amount of money that they could, knowing that they were now limited to a one-year period.

What were you people thinking? Of course that was all going to fall into place, and it did, and now you're all surprised at the consequences. What kind of planners and managers are you? Pretty bad, in my opinion. What it has done is it has caught out some of our good landlords who were trying to do small, incremental increases that people could manage, and it has enabled the gouging landlords. That's what has been the result of this government's planning system. Wow. Not very impressive.

10:40

I asked in question period: what is the government's definition of gouging? Now, we've got the minister of housing, that's willing to meet with these landlords, you know, having created the situation where landlords could gouge. Because there's no rent cap, they can put in any amount of an increase that they wish. Well, then they're shocked and appalled when there's a \$1,000 increase, a \$500 increase: goodness, that's gouging. Yeah. Well, what percentage of increase is gouging? At what point are you going to meet with people? At what point aren't you? How do you plan on doing this? Are you just going to talk quietly to them in a back room somehow, to every one of them? Wow. I would have thought that as a cabinet minister you would have had other things to do, like plan and market analyze, but clearly that wasn't happening. So I guess that did free up the time for you to meet with individually every gouging landlord in Alberta.

I want to talk about the theory of the marketplace, this argument that the marketplace manages itself, that invisible hand that looks after it all. We do not have a functioning rental marketplace in Alberta at this point. We absolutely do not. That invisible hand has failed completely. The marketplace has failed to regulate itself. The marketplace is supposed to be about supply and demand. What we have now is a situation where people are going: absolutely; we're not going to put any more supply on here because we get to keep raising our rents as long as the supply is really tight. So that marketplace that you all keep depending on so much is absolutely not working. Go and talk to the dean of business at the university, that you so love to quote, because he'll say that that marketplace is not functioning. We don't have a real marketplace in play at this time. It's not functioning. It's a complete breakdown of that marketplace. It's a complete failure of that marketplace.

What we have are extraordinary circumstances, and extraordinary circumstances require action from government, and this is where we really have the ostrich response to the situation. Instead of looking at the work that was done by the task force and implementing that comprehensive package, we have: well, we'll do the one-year notice period. Then we have the resulting gouging landlords, that are such a problem in some places. I think that with those extraordinary circumstances, this government has allowed a larger social problem to start to create itself. When you have a wealthy province like this,

where you have working people that are homeless and on the street, you've created a much larger social crisis.

Now, I was very interested to hear a number of times the government say: this is not a crisis; quit calling this a crisis. Really? Well, your own Affordable Housing Task Force right in the executive summary, the second paragraph down, says, "Alberta's housing shortage is a 'crisis'." Right there. Your own task force. I'm assuming that it's still your own task force. You commissioned it; it had your name on it. You were supposed to take their recommendations. Are you now saying that it's not your task force? They're calling it a crisis. How can you say, "No, no, it's not a crisis"? When you're creating a situation – I mean, never mind talking about the vulnerable in our society. Never mind talking about people that are on assistance, that are on AISH, that are low income, that are vulnerable, that have a disability or something. Never mind talking about them. We're talking about working people who are homeless because they cannot afford rental accommodation. We've created a much larger problem.

Let's talk about those economic implications. When we start looking at the issue of what homelessness causes, now we start to move into the social determinants of health. As the shadow minister for Health and Wellness this is something that I've looked at a lot. If we're trying to contain the costs in our health care system or if we're trying to create a healthier population, housing is key. Every time you look at the social determinants of health, no matter which ones you use – and they have been developing over the years. You know, when they first started, I think the WHO had five of them, and there are 11 or 15 now, depending on whose definition you're actually going to use. I mean, the Ottawa Charter for Health Promotion identifies the prerequisites for health as "peace, shelter, education, food, income, a stable eco-system, sustainable resources, social justice and equity." That's the World Health Organization, 1986.

Health Canada outlines various determinants of health. Again, they are social determinants of income and social status, social support networks, education, employment or working conditions, physical and social environments, biology and genetic endowment, personal health practices and coping skills, healthy child development, health services, gender, and culture. Health Canada, 1998.

A more common list that you get now is aboriginal status, early life, education, employment or working conditions, food security, health care services, housing – there it is again – income and its distribution, social safety net, social exclusion, and employment security.

So housing turns up on every single one of those lists. Without housing that system starts to break down, and you start to create poor health. You start to create the situations that keep a population in poor health. So it all starts to intermingle. When you've got a crisis in housing, you're starting to create a crisis in other places. We shouldn't be in that position. We're a wealthy province. We've all kinds of opportunity here. This is a great place. We've got all kinds of stuff that works and should work. So how could we possibly have a government that is knowingly creating a crisis in housing, which then starts a domino effect and creates crises in other areas? How could a good manager, a good steward of all of that magnificence, all of that wealth, all of that luck and opportunity that we have here – how could they mismanage that so badly?

If we really are serious about trying to get a handle on this immediate problem that is in front of us, that we should have seen coming – some of us did see it coming. This government didn't. So the government didn't see it coming. They got behind on this. We've now got a situation where rents are skyrocketing, where the supply is very narrow, and the best the government can do is give a

one-year notice period and a notice period on condo conversions. But without that accompanying rent cap, this will not help. We've got to have the rent cap in place with it as well as all the other things that were outlined by the task force.

So I am speaking very much in favour of amendment A1, that was moved by the Member for Edmonton-Glenora. We have to have that in place. It also acknowledges that the work of the task force was meaningful, that it was worth while everybody investing in that, that it was worth while the Liberal caucus losing the services of one of our members for 45 days and beyond because I think they then invested time in writing the report. You know, we all contributed to that, believing that it was going to lead to something useful. I think the disappointment in not having that become a useful exercise has been very frustrating.

So I urge my colleagues to please support A1.

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

Dr. Pannu: Thank you, Mr. Chairman. I rise to speak on Bill 34 in its debate in committee and specifically on the first amendment that's under debate, amendment A1. In speaking to this amendment, it's important to go back a bit and reflect on the comments that were made by the President of the Treasury Board and Minister of Service Alberta. He claimed that this bill deserves our support because it will bring what he called rent stability.

I've thought hard about this claim and whether or not this bill will in fact deliver on what the President of the Treasury Board called stability. During the debate this afternoon on second reading of the bill I tried to dissect that claim, draw attention to the false nature of that claim, and I've had some more time to think about it. I think that if this bill does anything, Mr. Chairman, it will in fact for sure destabilize family finances and budgets for tens of thousands of families in this province who have to rent a place to provide a home for themselves. It will be the one sure, statutorily guaranteed source of destabilization of family finances.

10:50

Why do I say that, Mr. Chairman? Because this bill, if passed unamended, will give legal authority to landlords to increase the rent, albeit once a year, to any level that they want or that they can get away with. It could be 10 per cent. It could be 50 per cent. It could be 100 per cent. It could be more. There's no ceiling whatsoever under any circumstances anticipated by law in this bill. Because it doesn't anticipate any limit whatsoever to the increases in rent that can be introduced by landlords, this bill, in fact, is a rent increase deregulation bill. It deregulates.

There is even social pressure, because of community expectations, on landlord behaviour with respect to how much rent increase is a reasonable rent increase. This bill will legally in fact take the sting out of those informal community-based expectations that landlords very often have to keep in mind when they are sending notices for rent increases. So this bill gives the legal authority, frees the landlord entirely from any consideration of the community expectation with respect to what is a reasonable increase in rent.

So to claim that this bill, in fact, will bring stability and sanity and fairness to the housing rental market is a joke, Mr. Chairman. This really is a bill that should be retitled, in my view, and maybe if the opportunity permits, I'll bring in an amendment tomorrow for a change in the title of the bill. It should be called a rent increase deregulation bill. That's exactly what it is. So the minister, I hope, will allow this opportunity by extending the debate in the committee on this reading to tomorrow so that I can get such an amendment ready and introduce it in the House to make that point.

Mr. Chairman, one other concern that has been expressed very briefly by one speaker before has to do with how this bill will in fact inadvertently, perhaps, in an unanticipated manner, set in motion a whole train of other developments, including upward pressure on wages. If wages increase by 4 per cent, 3 per cent, 5 per cent a year, 6 per cent a year, in that range, but rents go up by 20 to 30 per cent, imagine what that will do to family budgets. Our middle-class families will have no protection whatsoever from the funding schemes that the government says it's bringing in to protect some most vulnerable families from unreasonable rent increases. Most of the families will not have that protection available to them. This will drive them, first, to cut back on their other necessities.

Housing is only one of the necessities in the family budget. There are many others, from food to clothing to recreation to education to health and whatnot. This will generate pressures at the level of wage negotiations in this province, which will set off inflationary forces and bring them into action. Whether someone works as a nurse or a teacher or a sessional lecturer at a college or an accounting assistant or whatever, these are people who are already having fairly tight budgets to live with, to deal with. You add more costs to their housing side of the budget and you generate pressures on them to ask for more in the form of wages, take-home pay, in order to pay for the increased budget.

The government may be playing with fire here by introducing this kind of legislation, which will in fact increase pressures on family budgets, force a large proportion, a very large number of families in this province to have to seek additional income in order to pay for all the bills. The costs are going up everywhere, but a disproportionate increase in costs to part of the budget that not only constitutes close to 30 per cent of those budgets anyway – imagine, if you increase that part of the cost by 50 per cent or 30 per cent, what it does to the rest. So this is an invitation for unleashing inflationary pressures in the economy, in the wages and salaries that people will necessarily think that they need in order to meet these increasing costs.

Mr. Chairman, there was a reference made here in this House, I think, either in response to a question asked in question period or perhaps in the earlier stages when debate on this bill began. Someone on the government side of the House said: what's so sacrosanct about saying that the housing costs as part of the family budget shouldn't be more than 30 per cent? He said: why shouldn't it be 50 per cent? If that's something that the government believes is desirable, then they should say so. The experience of the last 30 to 40 years in this country has shown that when family budgets are set so that more than 30 per cent has to be paid just for housing costs, those families are unable to meet other basic needs. That hurts both children and adults and their ability to live well and grow well.

So 50 per cent of the family budget just to pay for housing I hope is something that the government will not promote as an idea that is worth considering. If it does, then it should say so so that Albertans know what the underlying assumptions are when they deregulate rent increases, as is the case with respect to this bill and the way it does it.

A couple of other comments, Mr. Chairman. The whole notion that markets will take care of everything is something that I think needs some reminders. Only in the economists' textbooks are markets perfect, that they seek and achieve some sort of a balance or equilibrium. In the real world markets are more often than not imperfect markets.

11:00

We have learned from experience over the last 200 years that real markets are not perfect. Sometimes they can be so imperfect that they can bring disaster to visit on all of us. Economies can be

destroyed. We learned that during the Great Depression of the last century. As we learned something from it, we brought, in fact, some strong regulatory legislation, which remains in place to this day. Empty trust legislation is designed precisely to provide that social regulation that markets need; otherwise, they spin into chaos, lead to booms and busts and depressions, and millions of people suffer from that. People in the Canadian prairies know better than anyone else what depressions can do. So markets are not perfect tools; they're imperfect. That's why they require social intervention, social regulation, social monitoring.

Antitrust laws. Is anyone around this House willing to say that we don't need antitrust laws? No. We learned this. We accept this as something natural, as something necessary. Yet when it comes to dealing with the housing crisis that we have before us, we are saying: "Well, just relax. Give us two years. The markets will take care of everything." They won't. They have not. If that were the case, why would we not have education exposed entirely to markets? Why would we not have health totally exposed to markets? Why would we not have policing put at the mercy of the markets? Why would we not do the same thing with firefighters? Why would we not do that with public health? There are so many areas in modern life, in modern societies, where we accept and, in fact, think it's unwise and inappropriate to leave those social services and social programs to the markets. Markets do not deliver. Markets fail in those areas.

Mr. Chairman, housing falls somewhat into that category of services. As we have seen, if you leave it to the market when there is no government attention paid to housing, housing for people who can't afford to buy into this very hot market, government neglect in this area over the last 15, 20 years has led to the present crisis. It's not just hordes of, you know, Newfoundlanders and Ontarians invading our province that has caused this. The problem has been there for years. It has become worse now. It's the neglect. It's the total reliance, blind faith on the fact that the markets do the trick that have caused the problem that we are here dealing with as we debate this bill and other measures that need to be taken to ensure that Alberta families are not let out on the street because they cannot pay the exorbitant rents that have been increasing for some years now, and have now, of course, picked up speed.

[Mr. Marz in the chair]

So, Mr. Chairman, markets are tools. Like any tool you have to be careful how you use it. You have to learn to use it better and improve the tool, not just let it be and see it as something that corrects itself or regulates itself. Markets do not. They're self-regulating only in an imaginary, abstract model that an economist has. The real markets are somewhat different and sometimes very, very different from that.

The last point, Mr. Chairman. I just want to briefly use the minister of intergovernmental affairs' intervention, that the NDP caucus members do not recognize that economic growth is necessary. That's a falsehood. That's a travesty of what social democrats stand for. That's such a gross oversimplification that I hope the minister was just joking and having fun by presenting himself as someone who doesn't know or fully understand. The minister has a good economic background, good economic training. He went to Harvard to get his degree in accounting, so I'm sure he knows better. I hope that he will not so exaggerate what he says here so that what he says becomes comical and laughable. That's what it is when you say that New Democrats and NDP members of the House do not support economic growth.

Economic growth and income distribution are both very, very

important. We see now the 200-some million dollars being allocated to help the very needy, the vulnerable. That is income distribution. That is a way of taking social action on the part of people who need help, to provide them help, and that certainly is what I would put in the category of income distribution.

When you have growth, growth doesn't necessarily translate itself into household prosperity for everybody. That's why we need governments. That's why we need social programs. Social programs are a way of indirect distribution of income, where people don't have to buy education, where people don't have to buy health for their families, but they get this because all of us say that these are necessities in a civilized society, they are necessities in a modern society, and we are all willing to pay the progressive taxes in order to generate enough revenues, if necessary, to pay for these services for everyone.

Thank you, Mr. Chairman.

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

Mr. Backs: Thank you, Mr. Chairman. I am pleased to rise to speak to amendment A1 for the Tenancies Statutes Amendment Act, 2007. I must speak against this amendment. I believe that it's poor economics. In trying to tie rent increases to the rate of inflation, you really must be very, very careful. It is absolutely the wrong trigger if one is to look at any sort of way to deal with rents and rent increases.

It also has a very difficult period with the two-year period, and it locks it in for all of Alberta if it were to pass. And who knows what will happen, especially if we're looking at some of the forecasts, which say that we could have reduced oil prices in a year and some problems in terms of surpluses and all the rest of it? All of a sudden we'd be in great difficulty in trying to increase stocks, especially for the poor. Mr. Chairman, it is clear that these types of inflation-triggered rent increase controls decrease housing stocks for the poor, and it's probably the last thing that we want to see in this system. It's far too broad a brush.

Not all sectors of our economy boom at the same time. We can look at what happened the last few years after 9/11 and what happened to tourism in Alberta. It went down, and then there was difficulty in some of the towns that depended on tourism. All geographic areas just do not boom at the same time. All sectors of the economy do not boom at the same time. We've got to be very careful about this type of a measure.

You know, the wording in this is very difficult. It may apply to any rental unit in a complex even if somebody is renting it to a new tenant. It doesn't seem to be absolutely clear on that factor. Realistically, any new development should be free from any rent controls, and this is a rent control measure. It's far too broad a brush. I must speak against it.

Thank you, Mr. Chair.

The Chair: The hon. Member for Calgary-Varsity, followed by Cardston-Taber-Warner.

11:10

Mr. Chase: Thank you, Mr. Chair. It's absolutely amazing to me that the President of the Treasury Board could suggest that stability can be found by picking a number. It doesn't matter what that number is, but once a year whatever that number is, when it rolls around, that's going to provide stability.

I speak in favour of amendment A1 to Bill 34, the Tenancies Statutes Amendment Act, 2007, that was put forward by my hon. colleague from Edmonton-Glenora because what it does is provide

a specific number. People know what that number is. There's nothing to guess about. Contrast that specific number of inflation plus 2 per cent with the keeper of the provincial purse's idea of accounting: "Pick a number, any number. Roll the dice. Whatever the dice shows, that's the amount of rent you pay." Luck of the draw. Russian roulette. Fortune cookie philosophy.

There is no stability unless you set aside a particular number. It just absolutely amazes me: guess, landlords, what you can increase your rents by? Renters: break your piggy banks or hold on to them because one year from now we're going to do it to you again. You know, bend over and kiss your fortunes goodbye.

The government seems to be caught up with imaginary numbers, whatever they may be. A number that they should pay attention to is that at noon today the *Calgary Sun* poll showed that 95.3 per cent of the individuals who took time to answer that poll were opposed to the Premier's housing policy.

The situation we're in right now, the idea of opportunism versus opportunity, a lack of stability, reminds me of post civil war America. The opportunists at that time were called carpetbaggers. They came in and took advantage of the fact that there wasn't stability in the marketplace. In a lot of the southern States the infrastructure was gone. When the north came through, basically, a lot of the old houses and the towns were torched. So these carpetbaggers from the north came down and took advantage of the situation: they charged, and they pillaged, and they plundered, and they got whatever they could. That is the role the government is playing right now. It's playing the role of the carpetbagger: no concern for renters, no concern for constituents, no defining, no laws, no expectations for landlords, just go for it.

What is happening in the apartments in Calgary-Varsity, the particular apartment where 298 individuals and suites are affected, is that with the government's lack of regulation there's no such thing as a one-year contract for renters anymore. It's been reduced to six months at best so that the landlords can participate in market speculation, and at any time within the end of that six-month period they can start to convert to condominiums, whatever they like. But any sense of stability for those people is absolutely gone.

Sharing cases in this House on Monday, I was accused of grandstanding. It was suggested that I hid my constituents' letters under my desk. These were the false claims, the charges that the minister of unsustainable and unaffordable housing made. Well, I see my role as being the spokesperson for my constituents, the advocate providing their words to this House. So that's what I'm going to do.

Dear Mr. Chase,

I am [a] tenant of the Varsity Square Apartments on 4515 Varsity Dr. NW. I am greatly concerned with the rental increase, of approximately 45%, in our building as well as in the City of Calgary. I am a Receptionist working for Alberta Research Council located in the University Research Park. As a Government, AUPE union employee, I do not have a monthly income to handle the increasing cost of living in Alberta. My question to you and other members of Parliament is, "What about the working poor?" Albertans do not share in the wealth that is being generated in the Province and it's about time that changed.

Trudy Hill concludes:

I look forward to your reply on this matter.

Of course, I replied very quickly. That letter came into the office e-mail on April 25.

The Chair: Hon. member, are you speaking on the amendment?

Mr. Chase: Yes. If you'd like, I'll keep referring to amendment A1.

The Chair: I'm having a hard time finding your comments relevant to the amendment. One further comment: reference to members in the House as dishonourable members is not parliamentary.

Mr. Chase: I don't recall saying dishonourable. I said the minister of unsustainable and unaffordable housing. And if that's offensive . . .

What A1 does is talk about stability; it talks about percentages. And that's what I'm talking about: stability and predictable percentages. What my constituents have noted is that there is no predictability. That's what A1 tries to address. I will try again with another example.

Dear Mr. Chase,

I received last night a printed invitation to let you know of particular concerns that any of us who are renting in Varsity Square Apartments. Although I am only 59, I am on a fixed income and have chronic pain. I am living on CPP disability (700 per month) RRSPs and my savings. I am also paying for treatment of my chronic pain, as I wish to re-enter the workforce. My rent will increase on July 1 by \$400 per month. I have to find a place which rents out at no more than \$900.00 per month. This is very difficult to find in the City of Calgary at the present time.

It's these comments from my constituents that cause me to support amendment A1 because what A1 does is provide the type of stability that renters need. They need to know, as this amendment suggests, that whatever the inflation is – and they can't deal with the inflation, but they'll know that whatever the inflation is, given that time period, no more than 2 per cent beyond that inflation will be added to their rent increase. What it does is allow individuals to budget.

Candace goes on to say:

I could move and have my rent go up after considerable expense moving. The building I might choose may go condo.

There's no provision, although the housing task force suggested that there should be a provision, to limit condo-ization.

Without rent controls and a moratorium on the conversion of rental units into condos, I will most probably find myself in this situation in a year. I know that you have been pushing for this in the legislature already.

What my constituent is recognizing is what amendment A1 is suggesting. She's looking for predictability. She's looking for a regulatory process that can guarantee her stability. She notes that one year from now, if there's no regulation, any amount of increase wherever she goes can take place because there are no limits, there are no expectations.

11:20

I'll share information from another individual. This individual also lives in that same apartment complex where a lot of the concerns have come. Of course, there are 298 suites, so it's not surprising that there are a number of concerns. This person begins: "I live at 4515 Varsity Dr. N.W." I'll not mention the apartment number.

An Hon. Member: You might as well. You said everything else.

Mr. Chase: Well, it was indicated that I might as well give the person's apartment number. I want to contrast the specific names that I have been given permission to express in this House to the creative fantasies that we saw earlier during question period, where people who had no first name, no last name, no city reference were mentioned as examples of how the government was looking after people. Creative stories, to say the least. And I don't hold it against the minister. When she was supplied this information, she probably believed that the stories that she had received were accurate, and she probably didn't have time to go and check the accuracy of those

documents. What I'm doing is what my constituents have asked me to do, and my constituents, by asking for specific percentages, are showing their support for this amendment.

So I'll continue.

I live at 4515 Varsity Dr. N.W. . . . and have just spoken with Mr. Fred Bishop who was on CBC Newsworld Sunday discussing his rent increase at said apartment and was advised to contact you regarding my 45 per cent increase in rent. I received my rental renewal March 01 for an increase in rent effective June 01. My rent, including underground parking, is going from \$765.00 per month to \$1115.00 per month and only with a six month lease.

I brought up the need for having a fixed increase in amendment A1 as the Member for Edmonton-Glenora proposed. That's what this man who's on a fixed income is looking for. He needs the stability of a fixed percentage.

[Mr. Shariff in the chair]

He goes on:

I am perhaps fortunate that I am still young enough to get another job in order to cover the additional cost; however, I believe that the whole plan here is to convert this complex to condos which means I will have to move eventually.

So this poor man is getting hit, first, with a 45 per cent increase. He only has the instability of a six-month contract, and over him rests the possibility of another increase at the end of the following year or a condo conversion because he has no stability. This government has not provided him with any stability.

When I received my notice of increase I did write [the Premier]. His response was less than satisfactory. He advised me that his government believes that rent controls don't work and that they prevent new apartments from being built. I replied to him last weekend and expressed my thought that without rent controls over the last ten years that very few, if any new apartment buildings have been built in Calgary and that if one takes into account condo conversions that the number of rental apartments has probably decreased.

And that is the evidence. That is why amendment A1 is so important. It provides specifics.

. . . a fact the CBC confirmed Sunday in the program I was watching which stated that over the last year the number of rental units had dropped over 2 per cent.

I have also heard a very disturbing story regarding an elderly senior in my building who committed suicide as a direct result of these rent increases.

This type of behaviour by a landlord is totally unacceptable. It is just another example of the abject greed which has become so pervasive in our society today.

[interjection] I find nothing amusing from the Member for Calgary-Buffalo about an individual having committed suicide. These aren't stories I'm making up.

Mr. Cenaiko: What's the name? Give us the name, then.

Mr. Chase: Name the individual who committed suicide?

The Deputy Chair: Hon. members, please, through the chair.

Mr. Chase: May I continue?

The Deputy Chair: Through the chair.

Mr. Chase: Thank you, Mr. Chair. I appreciate that.

Another letter, this one from Diane Shelley.

Dear Premier,

I feel I must voice my opinion regarding the current rental

increases. Why do landlords have the power and freedom to increase our rents by \$300-\$400 per month?

Well, I can answer her right now: because the government permits it. That is what we're trying to address in amendment A1.

It's a disgusting abuse of tenants in the name of greed!

At present, I am paying \$725 per month for a 500 square foot so called 1-bedroom apartment in the NW . . .

And it's the same address: 4515 Varsity Drive.

. . . and have signed a 6 month lease. One year leases are no longer available here. When my lease expires in April, I have been advised my rent will increase to \$1050.00 per month for another 6 month lease, or \$1090.00 per month on a month to month basis!

So here's where the speculation comes in. That is why amendment A1 is absolutely necessary.

Diane goes on to say:

Needless to say, I must try to find cheaper accommodations which is sure to be a challenge, since all the landlords in this city seem to be in the same money grab mode.

Now, I would disagree that all landlords are in that position, but the frustration she is experiencing I can appreciate.

I am 64 years old, and on a fixed income. At the new rental rate, that would leave me with approximately \$200 per month to live on. Does this seem fair? I know there are many many other people out there faced with the same dilemma.

As our premier, please, please put some controls in place, bring down rents and stop these uncaring landlords from gouging us!

I hope that the laughter from the Member for Calgary-Buffalo is not at the expense of my constituent.

Mr. Cenaiko: No, it's not.

Mr. Chase: Okay. I appreciate that qualification. I am pleased to hear that.

The next letter I received was sent to me on April 27. It comes from a lady by the name of Roshika Khanna. It says:

Dear MLAs.

My name is Roshika Khanna, and I am a Program Coordinator for Calgary Scope Society. Calgary Scope Society has been committed to improving lives for persons with developmental disabilities in Calgary and area for over 23 years. This letter is in regards to the growing concerns of finding affordable housing for our clients. In my efforts to find a two bedroom place for a client that we support, in the past two months I have encountered many obstacles.

- Due to limited income our clients are unable to afford most of the places for rent in the Calgary area.
- The waiting lists for Calgary Housing Company and subsidized housings run up to anywhere from 4 months to 2 years.
- The moment the landlords learn about our clients' mental/physical disabilities their applications get rejected without any valid reasons.

Unfortunately, in Bill 34 there is nothing that recognizes the degrees of vulnerability of individuals.

The Deputy Chair: The hon. Member for Cardston-Taber-Warner.

Mr. Hinman: Thank you, Mr. Chair. It's an honour to be able to get up and speak on this amendment A1, that basically is wanting to impose an interest cap, or to have it indexed to CPI plus 2 per cent. I want to stand up and speak against this. I feel that it's very important to do so.

11:30

What's very interesting tonight, Mr. Chair, is that there's nothing more exciting to a coach or to a teacher or to a friend than when you're trying to enlighten someone and have them discover a better way. It was kind of interesting. My hon. Member for Edmonton-Manning was able to speak before . . .

Mr. Elsalhy: You said: my hon. member.

Mr. Hinman: Well, as you are as well, hon. member.

Mr. Elsalhy: But not yours.

Mr. Hinman: Okay. Well, our hon. members here.

Anyways, as he was saying that he was going to get up and speak, he leaned forward and said to me: I'm speaking against it. He had this glitter in his eye and a smile on his mouth. He caught the vision, Mr. Chair, of the fact that, you know, we don't live in a perfect world. The market isn't perfect. He understands that.

Often it's argued that, you know, competition is a ruthless and cruel process. One can argue that, but the fact of the matter is that government and government intervention is far more ruthless. It's far more damaging, and it hurts the economy to a greater extent. What we're talking about here in this great government of ours in Canada and from reading from the constitutional act – it says that we set laws that are justified in a free and democratic society. This is the root of freedom. Freedom doesn't come at no price. One has to pay the price for freedom.

6. (1) Every citizen of Canada has the right to enter, remain in and leave Canada.
- (2) Every citizen of Canada and every person who has the status of permanent resident of Canada has the right
 - (a) to move to and take up residence in any province.

In any province. And that includes Alberta.

When government wants to intervene and say, "We're going to impose a cap here, or we're going to restrict interest on this end," as soon as government steps in and interrupts the free market, it just ends up in a catastrophe.

We're in a very sad situation. We're struggling right now with a shortage of housing. But the fact of the matter is that there are far too many other Canadians and other people in the world that look at this as the bastion of freedom, the land of opportunity, and they're flocking here by the thousands. There's no government that's going to be able to say: "You know what? We've got 11,000 people moving here in the next three months. We've got to get out and build the houses so they have a place to be here."

I spoke earlier that those first settlers that came to this province didn't come here with the thought that government was going to build and provide houses for them so that they could come here and move forward in their economic dream of what they're going to achieve.

Once again, if we were to pass this amendment and look at putting a cap on what they could charge, the increase on the rent, eventually we would hit a greater waterfall that would cause more damage, and we'd have to ask the question: well, do we continue to step in? At what point would we ever try and step out? As I've said, history has shown us many times that when government steps in and thinks that it knows the market better or some leader thinks that he can lay a better path to say that this is the way to go, we end up losing. We can just look around the rest of world at those countries where they want and where they do control the market. They control the housing. They control the jobs. They tell people where they can and where they can't come from. If we were to pass this amendment, we would again be moving into that area of government intervention, where we have no business to be.

There's no question that we're in a problem, and I want to go back to, you know, what we should be doing. One of the problems that I see: as government intervenes more and more in these areas and wants to control our lives, we as citizens look to the government and say, "You know what? It's not my personal responsibility to look after people anymore."

The one hon. member talked about a progressive tax, that this is good, that if we have a progressive tax, then we can meet the social needs of our people. A1 is a progressive tax that's going to cost us more. It will turn the industry against wanting to come in and put up housing because this is a fairly high-risk venture, to put up a bunch of buildings to want to sell or to want to rent and to think, you know: what's going to be the next restriction that the government comes in with? Once again, this is the precedent that we've set, that is to say that we're going to intervene if the market gets too extreme.

Who is ever going to be the government or the people in government that can set down a number and say, "Well, this year it's 7 per cent"? I realize that this is to the consumer price index and want to say that, but it takes a lot more than: this year, you know, what are we going to be, 5 per cent, 7 per cent? No one's going to go and want to develop housing knowing that that's the rate of return. It just isn't going to stimulate the market. The unfortunate part of human nature is that the two greatest driving forces are fear and greed.

Mr. Mason: What about sex?

Mr. Hinman: I'm talking about the market right now, Brian.

Anyways, with that in mind, we see the shortage of the housing and where it's going. People are already sitting there saying: well, what can I do to get in and to capitalize on this shortage of supply? We'll reach an answer far quicker if we don't interfere than if we start continuing to tinker with the market and say: "Oh, we've got to jump in here. We've got to jump in there." I appreciate the good intentions, though. We all want to make it better. That's why most of us are here, I believe. Unfortunately, we know what road is often paved with good intentions.

We need to look at those unintentional consequences of government stepping in and saying: government knows best. The biggest thing is that government is the people, and the people are the market, and the government is no wiser, usually less wise, than those people that have the freedom to choose: "I'm going to invest. I'm not going to invest. The government's stepping in." There are just too many places in the world where we see government intervention in the market, in the economy, and those governments and those economies are not progressive. They don't go forward, and the quality of life for those individuals is not great. I still would challenge anybody who says that there is a place that's better where the government is stepping in.

As I read earlier, you have the freedom to enter and the freedom to leave, not only the province but the country. Go there, and make one of those places better that thinks the economy can be controlled by government, because it doesn't happen. So I speak against the amendment A1, that it isn't in favour, and it won't be a benefit to those renters that are struggling now.

I look forward to listening to further debate on this amendment.

The Deputy Chair: The hon. Member for Edmonton-McClung, followed by Edmonton-Beverly-Clareview.

Mr. Elsalhy: Aah. Thank you, Mr. Chairman. [interjections] Yeah, it's a sigh of frustration. It's not a sigh of relief.

I'm standing here to support my hon. colleague from Edmonton-Glenora, who moved amendment A1 to Bill 34. I have to commend him for coming up with this amendment to a bill that was very carefully drafted, Mr. Chairman. We heard some comments earlier tonight from the government side talking about geniuses. I really have to say that in my two and a half years in this Assembly this is one of the most creative pieces of legislation that I've seen in this

House. Its creativity is basically in such a way that it doesn't contain anything, and it also doesn't allow a lot of room to manoeuvre with respect to amendments and things like this. It's meant to give the public a false impression of stability, which is the term I keep hearing in this House, and it also portrays a false image of a government that is basically rescuing tenants or renters or coming to their aid.

What the amendment is trying to do, Mr. Chairman, as you've heard seven or eight times tonight, is basically bring in that stability which is missing in this bill, which really achieves nothing. When you say, "You guys," to those landlords who, I've mentioned, are a few – it's a small group of landlords. Not all of them are greedy. Not all of them are bad. But to those ones who are: you cannot raise rent more than once a year. So we're talking about the frequency.

11:40

Amendment A1 is talking about the magnitude of that increase. It's basically calling for an allowable rent increase which is matching inflation as dictated or determined by the consumer price index and then adding 2 per cent to offer that cushion because sometimes the costs incurred by landlords might slightly exceed inflation. And when you have inflation, Mr. Chairman, that is at about 5 and a half to 6 per cent now and you add 2 per cent, that's an 8 per cent increase.

Tell me: which industry, you know, legitimate and legal industry, gets an 8 per cent increase every year? Some of them actually do, but they do it by negotiation. They negotiate with the government because they're basically paid by the government. We have many different examples where certain sectors and certain professions are regulated by the government, and they receive money based on negotiations and contracts. This should be no different. Landlords are offering an essential service, and essential services have to be treated as such. Housing is not a luxury. It is a necessity, and everybody needs a home.

Now, am I surprised that there seems to be an ideological divide between members from the opposition and then members from the government? No. I'm not at all surprised. Even with the member from the Alliance Party, I'm happy that sometimes we agree, and we have areas where we have common ground; for example, democratic renewal and things like this. But today I'm also not surprised that he's standing in support of the government and in opposition to amendment A1 because, again, that's what he believes, and that's what his party believes, and this is what the Progressive Conservatives believe: that nothing needs to be done, the market should not be interfered with, and that the market fixes itself. It looks after itself. It can rectify or correct, given time, and let's step back and watch it at work. This is where I disagree, and this is where my hon. colleagues on the opposition side totally disagree.

Now, one of the reasons why we have this ideological divide is because the government and now, as determined, the member from the Alliance Party think that whenever you interfere, something bad happens. There is usually an adverse outcome. There is usually a negative result. But I would like to remind members from this government and, actually, colleagues from all sides that this very government – and it's not new; this is a government that has been here for 36 years – does interfere.

An Hon. Member: Thirty-six?

Mr. Elsalhy: Yes, 36 years. And they do occasionally interfere when certain situations warrant such an intervention by any government.

You know, Mr. Chairman, people elect governments to look after

them. They elect governments to represent them and to protect their interests. So any government anywhere on this earth has a role to play, and whether this role is big, whether it's small, how much, and how frequently are to be determined. And now is a crisis. This is the time that any government should really sprint to its feet and do something to help the people.

Now, I have examples where this government has found it necessary and justified to step in, to come to people's aid, to be on people's side. Take, for example, the regulated rate option. When we as citizens of this province woke up one day and we were told that deregulation is coming and there is nothing that we can say or do to stop it, the government found it necessary to bring in some sort of mechanism or measure to protect those people who did not really fully buy into the brand, the ideology that deregulation is great and it's the best thing since sliced bread.

So the government stepped in, and it allowed those customers who did not want to go with the deregulated structure to stay on the regulated rate option. When the regulated rate option was slated to expire, Mr. Chairman, myself and many members of my caucus asked for the extension of the regulated rate option, and I also have to highlight the effort by my colleague from Edmonton-Gold Bar on this front. Former Premier Klein agreed. He said: "You know what? I think the regulated rate option should be extended." I felt very grateful that day because here is a Premier who not frequently enough but at least occasionally listens to the people and agrees with what the people said.

Take the government stepping in and regulating the maximum cap on soft tissue injury claims. Why didn't they leave the market to operate the way it pleased? Well, they came in, and they said: "You know what? Four thousand dollars is your cap, and this is it." Now, whether we agree or disagree with this decision in particular, at least they came in and said: "This is what we think is fair. This is what we think should be done." It's an example of a government that is basically stepping in and regulating. So the word "regulation" is not that evil. It's not that bad. It is done. It's the very same government. We're not talking about governments in different provinces or jurisdictions. It's the same one.

Take the NRCB, for example. Mr. Chairman, if you own or if you want to start a feedlot or a livestock operation, you go to who? The NRCB. And what do you do? You ask for permission whether to start a feedlot or a livestock operation or to expand an existing one. Now, isn't that a form of regulation? Governments have a role to play, and this government plays that role when it finds it necessary and when it's pleasing.

In late 2001, early 2002 there was a lot of uneasiness and there was a lot of concern with respect to the high-pressure sales tactics and other unfair practices by travel clubs in this province. So what did the government do? The government surveyed Albertans. They asked Albertans what they thought, and Albertans overwhelmingly told the government that they were not happy with the way travel clubs were operating. How did the government respond? The government regulated travel clubs in this province on May 17, 2002. Isn't that an example of a government stepping in?

Now, you learn two lessons from this, Mr. Chairman. You learn that the government actually played a role, and then you also learn that at that time the government decided to listen to the people. They surveyed the people. I keep maintaining that the Public Affairs Bureau should be a two-way communications device. It should be there to ask Albertans what they think, not only during election years and not only to ask them, you know, how they like the government and why the government is so wonderful. They should be there to ask Albertans what they think.

This issue, this particular concern, the housing concern, the

housing issue, the crisis, should be one that is a survey or a poll that goes to every Albertan in this province. Ask them what they think. I know my honourable colleague from Calgary-Varsity was commenting on a survey that he came across, and it indicated that 95 per cent of those polled disagree with the government's position. They don't approve of the government's direction on this particular issue. Now, 95 per cent is a significant sum, and it actually signals a growing opposition to where the government is coming from on this particular issue, notwithstanding that, you know, in the Tory convention the members there indicated their support for that position. Albertans at large, people all over the province should be surveyed. Let's see what they tell us.

Take another example, Mr. Chairman. In the mid-1990s the provincial government of the day increased its commitment to West Edmonton Mall from \$75 million to \$440 million. Even the Premier at that time had no difficulty signalling to at least two of his ministers to come up with what was called an Alberta solution to the West Edmonton Mall's financial woes. He had no difficulty interfering in the market. If we come to the support of a commercial enterprise, a private business, and say, "You know what? You do wonderful work. We want to support you, and we want to come to your aid," then we should at least grant the same treatment and offer the same courtesy to citizens, to individuals, who might not have that level of support otherwise.

Mr. Chairman, here's another example. In October 2003 the Premier at the time, Premier Klein, told Albertans that he was frustrated with the auto insurance situation and the skyrocketing premiums. Against division in his own caucus, he implemented a one-year freeze on premiums. Now, the Premier said, you know, that in his opinion it did not either raise or lower premiums. What it did was just freeze them for a year for that situation to be evaluated. He wanted to sort out that issue and he wanted time to do it and he didn't want people breathing down his neck saying: do something; do something. So he froze it for a year.

11:50

Now, we're not asking to freeze rents, Mr. Chairman. We're asking to allow rents to increase, but reasonably, and amendment A1 does just that. It basically follows the recommendations from the task force, the task force which was all-party and which toured all corners of the province and listened to people from industry, from tenants, from advocacy groups, from financial institutions. It did a lot of work, and it did a lot of good work. We need to implement all the recommendations or the bulk of the recommendations, not just select one or two aspects and leave everything out. It should be a package. The task force was entrusted to hear the stories and to come up with solutions. We should really adopt and embrace what the task force came up with. This was one of the recommendations in that report.

It really follows what a province like B.C. does, you know, when they have rent guidelines. The only difference, Mr. Chairman, is that this amendment is asking for a temporary rent guideline to allow the market to catch up, to allow it to equilibrate, to settle, you know, for new units to be added. We need to wait, and people cannot wait. They have nowhere to go. This basically offers that stability in the interim, till that new supply comes on board, comes on the market. So it is not indefinite. It is not forever. Again, to be fair to the landlords, we're not just talking inflation. We're talking inflation plus a little differential, plus a little margin on top, which is in this case 2 per cent.

Now, how else can we be fair to the landlords? Let's say that a landlord, really, justifiably wants to raise the rent over inflation plus 2 per cent. Well, if you remember the deliberations on Bill 202, Mr.

Chairman, the Consumer Advocate Act, which I brought to the House and which was unfortunately defeated by the government, we wanted an advocate to adjudicate these requests, to basically reconcile the two positions and to say: you know, we anticipate that the average allowable, predictable percentage increase is this. But let's say that a landlord can prove that this particular landlord needs to raise the rent by 20 per cent. Well, there should be a mechanism where this particular landlord appears before a designated board, and I would suggest the residential tenancy dispute resolution board, which is in its pilot year here in Edmonton. We should extend it to cover the entire province, and it should be mandated to reconcile these things, to adjudicate these things. [interjection] You don't want that board? Fine.

There is a tendency by this government to put things in regulations. Name a board that is existing or start a new one that just sits there and approves rental rate increases that are exceeding the allowed average. We're only doing this during the period when we have this particular rent regulation. After the sunset, after the end of that particular regulation period, fine, you can switch off that board and say: "You know what? You guys do what you want." By then, hopefully, the market would have settled and would have equilibrated.

You know, you should allow good landlords who have incurred a lot of expenses to raise rents, again fairly, and if they want to exceed what is agreed to or what is deemed to be appropriate or fair, then fine, we should give them the mechanism. If you ask me, Mr. Chairman, the reason why we didn't do it with this amendment is quite simple. I go back to my first comment. This bill is very carefully drafted to not allow us to do this. We wanted to put this mechanism in place. Take this as well: we wanted to allow a landlord, by agreement with the tenant – they both agree that this particular unit should be turned into a condo – to waive the notice period. Let's just say, "Okay, I agree; I want to buy it today," and the landlord says, "I agree, and the price is fair." Let them do it as long as it's done by agreement. But, again, there was no place in this bill to allow us to embed this provision.

We're not being unfair, and we're not taking sides. What we're saying is: allow landlords a fair and reasonable increase and allow them to recoup their expenses and to recover some of the costs that they incurred but also look after individuals who otherwise cannot fend for themselves, especially now with the low vacancy rate and no place for them to go and with subsidies and assistance from the government that take forever for someone to actually move up the pile and for their name to be, you know, on the top of the pile for them to be processed. Then, even as such, those subsidies are really small when you take into consideration the frenzy, the madness that is happening in our housing market.

I hope I still have time, Mr. Chairman. I wanted to talk about something that the government has on its website. It's called the core needs income thresholds, or they actually call it CNIT. The core needs income thresholds assist in distinguishing households requiring social housing assistance. Today, when we had the guests in the gallery and then we went to room 512, hoping to meet with the Minister of Municipal Affairs and Housing, his assistant told us that unfortunately he had a prior engagement and he couldn't make it to that meeting, but the staff there were trying their best to help those people who were there.

One of the records that they showed us was the CNIT. It talks about, you know, that households with annual incomes equal to or less than that figure are said to have insufficient income to afford the ongoing costs of suitable and adequate rental units in their area. I want to underline suitable and adequate because if you ask someone

to live wherever just because that's what they can afford, that's not being fair to them. I would call it un-Albertan.

Now, taking CNIT in 2006, for example, it covers all the municipalities in Alberta. I heard the comments from the Member for Cardston-Taber-Warner. Obviously, he's not hearing the concerns that we are on this side of the House. Take this, Mr. Chairman: in Cardston the value is \$18,500 for a one-bedroom unit. I'm not going to talk about two-bedroom units or three-bedroom units or four-plus. I'll just take the smallest one because that will be the most affordable, and we'll use that to extrapolate. So in Cardston it's \$18,500. In Taber it's \$18,500. You have a range. Take a place like Bow Island: still \$18,500.

Now take Edmonton. Edmonton is \$24,500. So if you have equal to or less than 24.5 grand a year, for a one-bedroom unit, you're deemed to be worthy of assistance. How many people qualify? How many people meet that requirement? I want an answer to this question. Take Calgary, for example. Calgary: \$27,500. Okay, so you divide that by 12. That's the monthly income that anybody should have to afford even a meagre one-bedroom unit. How many people fit that description? Now take Fort McMurray. You'll find that it's very interesting, Mr. Chairman, at \$47,500. So anybody who wants to even afford one bedroom in Fort McMurray needs to make at least 47 grand.

How many people are below this level? How many people have to work two jobs or three jobs or the husband and wife both working to actually at least afford a one-bedroom unit? These questions need to be answered, Mr. Chairman, and this government is not giving us the answers.

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

Mr. Martin: Well, thank you, Mr. Chairman. Amendment A1 is precisely the same amendment, as mentioned, that we've had as a party policy for a long time, plus the fact that the task force brought it forward. I want to lay out, again, why we need to put this as part of the package here today. The government's economic strategy has created an overheated economy. That's why we're facing the problems that we are. It's their economic strategy that wants to do this. They're the ones that are saying: let's get in there; get the oil and gas out to the American market as fast as we can; get the oil sands out as fast as we can; everything full steam ahead; don't put the foot on the brakes.

We disagree that that's what we should be doing, but we can't control that. If you do that, Mr. Chairman, then you have to provide the proper backup for it. Housing is just one example. We've talked about health care, education, infrastructure. You name it. We're falling behind. We can't keep up. I would suggest that even though the \$285 million is a lot of money, when we looked at it in the task force, that probably wouldn't even be enough money to keep up. That's the reality of what we're facing. I just want to put it in perspective because this is from the government's own paper from Alberta Employment, Immigration and Industry. On the side it says, "Alberta Advantage." Well, what we and I think even the hon. members across are talking about here is that for a lot of people it's becoming a big, big Alberta disadvantage.

12:00

Now, Mr. Chairman, let's just take a look at this. Economic Outlook for Alberta, Spring Update, from Employment, Immigration and Industry, "Alberta's Economy – in a League of its Own."

An Hon. Member: Mr. Chairman, this is not relevant.

Mr. Martin: Well, Mr. Chairman, this is very relevant because what they're saying – I'll come to housing here, and you'll see how relevant it is. Just pay attention. Stay tuned. You will learn something. I guarantee it.

Mr. Snelgrove: Not from you.

Mr. Martin: It's from your own government paper. Surely, you'll learn something from there. [interjection] Well, okay. Listen to what they have to say.

The Deputy Chair: Hon. members, once again, please, I know it's getting late in the evening, but if you were to make your comments through the chair, that would truly help.

Mr. Martin: Mr. Chairman, I'd love to make comments through you.

It says here:

- "Alberta is booming and this is certainly not a temporary phenomenon but a more permanent structural change in the economy" – Conference Board of Canada . . .
- Alberta had real GDP growth of 6.8%.

They say that the outlook for 2007 is still going to be strong, 4.0, but "this growth is not sustainable," and,

- Downside risks include labour shortages, and increasing construction and housing costs.

They talk a little more about housing specifically, and I won't read the whole report. I know that the minister would love me to do that, but time is of the essence here, so I want to move it along, Mr. Chairman. The Alberta housing: it says, "Economic pressures to persist," and this is looking ahead into the next year.

- Rapid growth in energy investment, especially in the oil sands, is creating growth pressures . . .
- Housing shortage is driving up costs of owning and renting a house.

Alberta's housing crunch. It goes on in this chapter:

- In February, province-wide MLS resale prices were 34% higher than a year [ago] . . .
- New housing prices rose 38% in Calgary and 42% in Edmonton.

Now, here's the key.

- . . . The (rental) vacancy rate . . . declined from 3.1 per cent in October 2005 to 0.9 per cent in October 2006 . . . the lowest vacancy rate for the province on record.
- . . . Since the start of 2005, housing affordability across the province has been eroding at an aggressive pace.

Now, through the chair to the hon. member: you see my point? This is going to get worse before it gets better. Admittedly, we had 109,000 people roll in, they say, but every indication is that this is going to go on because of the economic policies that this government is following, Mr. Chairman.

So what do we do in the short run? Being a member of the task force, we tried to take a global look at it, Mr. Chairman, and we tried to fit the package together. As I said earlier on, most people on that committee didn't start off thinking that we needed, you know, rent guidelines or rent stability, but they came to that realization. Many of them said that when we finally had the debate because they didn't see any alternative when they started to listen to people and listen to the crisis across the province. And this would indicate that it's going to get worse.

That's why this talks about, you know, CPI plus 2 per cent, which they have in British Columbia. But as they do in B.C., I would take it that if there are extenuating costs – and we talked about this – landlords can apply to pass that along, whether it's utilities or whatever. This is not a real market right now. This is a market out

of control. I believe that even Adam Smith would have trouble with this one, Mr. Chairman. So I don't see what the hang-up is so much about in a temporary way putting some sort of guidelines, knowing these economic forecasts coming from the government.

What are we going to do? Just let more people be homeless? Or are we just going to say to young people: "Forget about ever owning a house. Don't worry about it because we believe in the market. Just let it do whatever it wants."

Surely, even this government must understand that there are times when an uncontrolled market doesn't work. They will still make a lot of profit, Mr. Chairman. They've had guidelines for 15 years in Ontario. They're building more rental units than we are without them. And that should be the proof of the pudding, but it doesn't seem to get across to this group that there is another way to do it. Again, it seems to be the triumph of ideology over common sense.

One of the things, Mr. Chairman, to tie it into why we need the guidelines is because this is impacting everything. As the rents go up, housing prices go up. We've talked about the people at the other end of the spectrum, the most vulnerable people in society, and we know what's happening to them. There's enough evidence here, and we've seen it in the Legislature, but it's also impacting a lot of what we might call the young professional middle class.

When I was with Mayor Mandel in my own riding, I alluded to this. Edmonton is trying a very innovative project with first-time homebuyers. The city is taking out second mortgages to try to keep these people here in Edmonton because some of them are talking about moving to Saskatchewan, where they can afford a house. How can that be an economic advantage? We're going to need these people in the future, Mr. Chairman.

So we're getting caught in two ways. Less and less people can afford to buy a house, and the rents are going up. So they're sort of caught in a double bind. And that's true of the middle class right now. It's true of young professionals. It's true of a lot of people here, Mr. Chairman. I can't see why the government has to be so hidebound about this particular issue. I know that there are some people in the caucus – they've told me, and it's been reported publicly that some of them say that there's a need for this. I wish they'd stand up and speak here tonight. They know who they are that talked about it. Now's the opportunity to say what your constituents are saying and what you've said publicly. This is the time to vote on it.

An Hon. Member: Not me.

Mr. Martin: Well, I have no hope for you, so don't worry about it. But that's the point. We have to do what's right. [interjections] I've known you for a long time. I didn't have hope for you from the start, and I was right. I'm sure we can go back to who you used to work for. I doubt that he would stand up here and say that this is good enough, to just let the market go. The first time that the boom came, they at least had a social conscience and did bring in rent controls and did bring in mortgage subsidies, did do a lot of things that helped people. They did.

Mr. Liepert: Interest rates were 20 per cent. Are you going to wait for 20 per cent again?

Mr. Martin: Yeah. Well, what do you want to do? Does it matter, if you're out on the street, how you got there? Does it really matter? If you can't afford a house, does it really matter what the interest rates were? The ultimate thing is the same. I would argue that he would stand up here today, Mr. Chairman, and he would say that we have to do something, that an uncontrolled market just doesn't work

in this situation. He's talked about the rate of growth as being unsustainable, so I'm just saying that we should do the right thing.

The other argument about guidelines is so far out of kilter, the idea that if we bring in guidelines and rent stability, we're not going to build the units. Well, how can it be any worse? We're not building rental units now.

An Hon. Member: It can always get worse, Ray.

Mr. Martin: It couldn't get any worse. They're not building them.

The point is that in Ontario, where they have guidelines, they're building them. Now, what should that tell us? Get off the ideology, and start to do what's right for people. And I know that some of the members over there feel that way.

The point that we make is that rent controls – you know, they say that we can't take them off. Well, we did in Alberta. This is not New York. We did get rid of them before in Alberta when we didn't need them. I said earlier on today, and I repeat it for some people that weren't here, that Councillor Cavanagh was the one that got the job of bringing the end to controls at the time, but he also said that we need them now again. So it's not impossible. Well, he's a Conservative. He got the job because he was a Conservative, so it wouldn't have been anybody else.

Mr. Chairman, as long as we're in a situation with a market that's totally out of control, unfair, and there isn't the competition there, I just don't understand why we can't do this on a temporary basis and do what's right for thousands of Albertans.

12:10

We talked about the other part of the report: building the units. Now, the member asked about how many units. Probably, you can't keep up. That's the sad fact. Even though it's admittedly a lot of money and some of it will do some good, as long as we continue with the type of growth that they're talking about here, that probably still won't do the job. We were talking in the task force about 12,000 units in the next few years to try and catch up. That probably won't be enough. So I don't know. In the meantime we have to try to put more on the market. No doubt about that.

We talked in the report – and I hope this isn't going to be done. I think some of the members have talked about inclusionary zoning, tax incentives to do that. All those sorts of things are important, but in the short run you can't get away from the package. The crucial thing is that the rent guidelines have to be there in the short run. I just for the life of me cannot understand – I really cannot understand – this ideology that would make even George Bush blush, I'm sure, Mr. Chairman, this ideology that we can't do anything to help people, that there's somehow a market here when there isn't a market here. I mean, it's just unbelievable.

The government says, "Well, you come and see us." Telephone calls don't even work, and the eviction fund isn't there. You know, it shows you how disorganized they are. Even the things they brought in, people can't access them. That's somewhere in the future, and there are people suffering now, and I stress that it's not only the most vulnerable. That's sad enough, and that's a very sad story. We've heard many of them here. But it's impacting the ordinary people.

I was at a meeting yesterday, Mr. Chairman, and people came up to me: "We have a house, yes, but we're worried about our sons and daughters. They don't. How are they ever going to have a house? And the rents are going up. What are we going to do?" There was anger there, palpable anger. I think the government underestimates this issue, underestimates it totally. They think that they've voted Conservative all their life, and that somehow no matter what they do

– they can do whatever they want; the people can suffer – they’re still going to vote for them. Well, they’re going to find that there’s going to be a wake-up call very soon. From what I’m reading – and I’ve been around this game for a long time – this is an issue that really rings home with people, not just the most vulnerable. A lot of people have sons and daughters trying to get in the market.

To take bits and pieces, to cherry-pick a report – you know, a key thing we had to do was a continuum along the way from the homeless right through to the first-time homebuyers – and say that, well, we can’t do rent guidelines, as I said earlier on, Mr. Chairman, I thought that at least this government would look at helping first-time homebuyers with mortgage subsidies for five years, like we did in the past, like the city of Edmonton is trying to do on a pilot project. But they couldn’t even go that way. When they did the secretariat, they said it’s such a crisis. That’s what we heard from Albertans on the task force: a crisis. That word “crisis” came up time and time again. And that’s why we’d suggested the secretariat pull all these things together from a package. The government says that, well, they’re doing all this consulting among each other. Well, nobody out in the public knows anything about it. If they’re consulting so well with the eviction fund, they’d get up in the House and say: call 1-800, and there will an eviction fund, and we can deal with you there. When you phone, it’s busy, or secondly, they say: “Well, gee. We don’t know.”

Mr. MacDonald: Perhaps we could try at this hour of the night.

Mr. Martin: Yeah. That’s right. We had it on the line. If we could have used it, we would have. “Well, I don’t know what’s going on. I guess I’ll get around to it,” and they stand up in the House. That shows you how disorganized it is. Is that the amount of consultation that’s going on over there with that group? When you’re in question period, you don’t know who to ask. There are four of them popping up and down like yo-yos, Mr. Chairman. [interjection] Oh, we woke up the House leader. I’m glad. You know, I thought you were falling asleep there. Then I know the hon. member is going to give me a standing ovation after his colleague.

Mr. Chairman, I want to come back to say: this is your document. This is what they are predicting. It’s going to get worse before it gets better. Why can’t you take off those philosophical blinders and do what’s right for the majority of the people of this province? Why can’t they do that? I don’t know. I can’t believe that they don’t care about what’s happening to people. Maybe that’s the case. But I do believe that somebody taught them Adam Smith in grade 6, and they think that that’s where they have to go for the rest of their lives without dealing with the real issues.

The former Conservative government, the first generation of Conservatives in the boom, had a vision. Maybe it’s just that they’ve been around too long. I suggest that in the first boom they didn’t do everything perfectly, but at least they tried to help people deal with that boom, unlike this bunch. Unlike this bunch, Mr. Chairman. They sit there and say: well, let the market work. They’re going to build all these rental units. No evidence of it. In fact, we have evidence that they’re not going to till the prices go up.

They say: well, that’s just the way the market works. Well, that’s small comfort – small comfort, Mr. Chairman – to people who are struggling, the most vulnerable, the middle class, young people, older people. Then we’ll have students coming back in a little while facing the same sorts of problems. That’s why this shouldn’t have taken much.

There’s a conservative government in British Columbia called Liberal, and they can live with this. They seem to be our TILMA buddies. You know, if they think it’s okay and we think they’re

okay to be in TILMA and it’s working for them, why couldn’t we be able to take a look at it? Again I stress that it’s not like these people aren’t going to make money. That’s a pretty good profit when you make the consumer price index plus 2, but if you have extenuating costs, you can apply to the board and pass it on; i.e., utilities, those sorts of things.

I’m waiting for my standing ovation.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie, followed by Edmonton-Calder.

Mr. Agnihotri: Good morning. Thank you, Mr. Chairman. I’m pleased to rise to speak in support of the amendment moved by my colleague the Member for Edmonton-Glenora that Bill 34, Tenancies Statutes Amendment Act, 2007, be amended in section 1(4)(b) by adding the following under the proposed subsection (8):

(9) No increase in rent payable under a residential tenancy agreement shall be greater than the rate of inflation as measured by the All-items Consumer Price Index for Alberta published by Statistics Canada for the immediately preceding year, plus 2%, for the period April 24, 2007 to April 23, 2009.

Mr. Chairman, the Alberta Liberal Party always believes in fairness and sustainability in the market. I mean, if we are fair to both investors and tenants, then we can make progress. That’s why fairness in the market is very important, and this is what we are trying to do. With Bill 34, if we pass that bill as is, I don’t think it will be fair to both of them. You know, some investors are gouging on the rent, and this is not the right thing to do. We must have some sort of temporary relief immediately, which is missing in this Bill 34.

12:20

As I said before, Mr. Chairman, this amendment is very important for vulnerable people. Especially in my riding, you know, they are facing a serious problem. Yes, the leader from the third party is right. The Alberta Liberal Party believes that 10 per cent is reasonable in a year for temporary relief to catch the market and for sustainability in the market. This amendment is recommended by the task force. It was one of the 50 or so recommendations made by the task force. I think that if all members in this House agree on this, it will be something that at least will help some of the tenants who are desperately looking for some help from the elected officials, from the government.

Mr. Chairman, Alberta needs short-term protection on this issue. It’s very important because who knows when 1,100 apartments or houses – you know, affordable homes – are going to be built? In the meantime, we need protection for those people. This is very important to give them a break on this issue. Albertans have spoken very clearly on this matter, so it’s time for the government to act and act very fast. Otherwise, we already know that the social deficit between rich and poor is increasing, and if you don’t act fast, then the gap between rich and poor will increase so fast that it will be hard for us to catch up that gap. So we should address this issue very seriously, I think the sooner the better.

Most of you have already seen some of my constituents yesterday. The picture of one of my constituents was on the front page of the *Edmonton Journal*. He is 80 years old, and he has a medical problem. He was so worried after he met with the minister concerned and the President of the Treasury Board, and I saw him crying. He said, you know, that he never wanted to go and see them. This was the first time that he came to the Leg., and somehow he felt like he was begging to the government. He said that this is a thing he never wanted that way, but he has no other options. Nobody in his family was there to help him. So he came over there, and after

the meeting he told me that he really appreciated that the President of the Treasury Board and the Minister of Municipal Affairs and Housing spent some time with him and some other people. They really appreciated their time. He said to me just to convey my message, and I'm just telling them, after meeting with the minister, that people who are in need always appreciate it. I think the minister has listened to their stories. It's really helped them, at least for the time being.

Mr. Chairman, those people are facing hardship, and it's the responsibility of the government to do something and to do something sooner than later. Otherwise, this situation will deteriorate, you know, in the coming time. It has become very clear that the government response to the affordable housing crisis has failed to address the critical issue. So what are the renters supposed to do in the short term until more houses are built? It's a big issue for vulnerable people, and it will be very hard for them to survive in a year or two years' time. There's no certainty at all. Nobody can say that the 1,100-some affordable homes are going to be built and, if they are going to be built, where they are going to be built. Nobody knows what size the houses or the apartments are, whether those apartments or affordable homes will suit their requirements. Those are lots of questions in their minds.

Another thing that I already mentioned: the initial deposit. Nobody knows if they even get a chance to have an affordable home somewhere and how they will get it. Will the government give them a loan or something to pay the initial deposit? Who are the builders building the houses? I mean, some people still believe that some big builders will get a chance to build those big projects, and they are the people who are making money. There are so many things in the air. I told them that I can't answer, you know, because I'm not certain who is going to build the houses and how big the houses are, which area they're going to build the houses in. This is not certain. This is not a clear picture so far. If we listen to at least the recommendations of the task force, that would be the right step at this moment, but it's still not clear.

Those people, for the time being, are facing rent gouging by some of the investors, not by all but some of them. Some of them are playing some games with the tenants. Especially sometimes they change the ownership. When they change the ownership, the tenants expect another year's notice, you know, according to the old rules because we haven't passed the legislation. Sometimes they get only three months' notice, and within three months, if they find a new place, they have to pay even double the rent. It's a very, very difficult situation for those vulnerable people. Even the people who can still afford it, when their rent is doubled or more than doubled, it hurts them. I'm sure that the majority of, you know, the members sitting in this House understand. As I said, it's the government's responsibility to listen to Albertans and to respond and to help.

12:30

Once again I would say that they have failed to provide sustainability because of uncertainty. The government only cares about their political ideology at this stage, I think, rather than the interests of Albertans. So under the circumstances it's very important that we should set aside the principle or ideology that we believe in and try to help those people who elected us. They put trust in us, and our priority should be to listen to them. You know, our priority should be: how can we help those in need? I mean, they need us now, and we should find ways of how we can help them as soon as possible.

Mr. Chairman, the Alberta Liberal Party has introduced this amendment for temporary rent control. I want to add one more thing because this issue is huge not only in Edmonton but all over Alberta,

especially in Calgary. I mean, I read some articles in the *Calgary Herald* and the *Calgary Sun*, and they are facing the same problem. Recently some journalists are blaming the government, that maybe they are leaning more towards Edmonton. I don't believe that. The problem is there too.

So if the problem is all over Alberta, then we should set aside our ideology and listen to them and solve this problem as soon as possible. It's very important under the circumstances. I urge this government to listen to their conscience, to listen to their constituents, all Albertans, not only Edmontonians or rural Albertans, I should say. Listen to them because at this moment they need our help at a moment that cries for help. I request all members to vote to support this amendment. A vote against this amendment would allow Albertans to lose their homes. The decision is all in your hands.

Thank you very much.

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

Mr. Eggen: Thanks, Mr. Chair. I appreciate an opportunity to speak to amendment A1 to Bill 34. As I was speaking about earlier this afternoon, I consider something that resembles amendment A1 to be the missing piece that makes Bill 34 an effective piece of legislation and the piece that's missing that would in fact protect people during that one-year period that the rest of Bill 34 aspires to set up.

You know, it's very fine and dandy for Bill 34 to exist as it is, covering at least two major issues in terms of condo conversions and in regard to rental increases trying to create some sense of regularity for the thousands of renters in the province of Alberta. But without this amendment Bill 34 is rendered quite useless. So I'm glad to speak in favour of this amendment. It certainly is a reflection of the recommendations from the affordable housing commission.

We're seeing developments almost by the hour in regard to this issue. It's a good thing we're all bright-eyed and bushy-tailed here this evening to deal with them as they come in because I'm just noting as late as a quarter to 10 this evening a number of members of that affordable housing commission, besides the ones that sit in the House here today, the outside ones, now starting to speak out. It's being reported at 10 o'clock this evening that a number of them are speaking out in favour of the essence of this very amendment that we are dealing with here tonight.

So that's great. It gives us a sense of purpose here this evening. It's a reflection of public will to see this through to create some stability in the rental market with temporary regulations that will serve to create some consistency and a sense of something that renters can hang their hat on and not feel that imminent possibility of having to move or look for another place.

You know, quite often this debate has been characterizing a sector of the population that's sort of on the edge, where they don't have a dollar to spare and they're going to end up out on the street. Really, there are thousands of different permutations and declinations of that same thing happening with people that are not going to be forced out onto the street, but they're going to have to try to find another place because when you get your rent jacked up by even 15 or 20 per cent, most people don't have it in their personal monthly budget to accommodate that. Remember, we multiply that by 12 and all of the other inflationary pressures that people are experiencing here in the province of Alberta at this time. We have one of the higher inflation rates, probably, on the continent at this point. So combine all of these together for the average working person, and you create an unstable situation.

I would venture to say, Mr. Chair, that A1 is not just a sound piece

of policy to help augment Bill 34; it's a sound piece of addition to policy in our arsenal to help stabilize a large sector of our population so that they don't have to move or live with that uncertainty of having to move and dance around and think about how to balance their budgets every month. So as we are all invested here with the authority to create regulation, certainly this is not an unreasonable thing that the public would expect from this very Legislature.

Let's try to look at it that way. It doesn't have to cross over into the land of innuendo and ideology and back and forth but rather a reasonable compromise. I'm sure that we can find it somewhere in our hearts to find a reasonable compromise here to impose some sense of regulation for a finite period of time and ease the uncertainty of thousands and thousands of Albertans. They can wake up in the morning and find that we have come to our senses here and have imposed some temporary regulations, as A1 suggests, using the consumer price index, which gives you a healthy increase in your budget, certainly, plus 2 per cent.

12:40

Let's not forget, as well, that we can certainly have a mechanism by which people can apply for an additional increase in rent in any situation, given extenuating circumstances that the physical plant might require, the apartment, or other things like that. Certainly that's the way we've seen temporary rent guidelines operate in the past, and those applications are processed in due course of time and are accepted. It's not a big deal. Right? If someone needs a new elevator or a new boiler or a roof, these are parts of doing business. The cost of doing business certainly has increased in regard to providing rental accommodation, and we should recognize that. That's not a big deal.

The rest of this, though, the rather stubborn refusal to put in some small temporary regulations, to me speaks of something larger and at the same time something slightly illogical. If we are going on and on – and we have done so over these past few weeks – about unscrupulous increases and gouging and all the rest of it, then certainly none of us will stand behind that. But the implicit message behind not putting in temporary regulations is that, in fact, we do stand behind that, and we do condone that as some sort of freedom of property.

I would venture to say that if we follow that argument a bit further, Mr. Chair, you know, we're not imposing on people's freedoms to suggest that there has to be a fair price for a certain commodity, in this case housing. Instead, we are freeing the people who otherwise are being cornered into a rent trap that has been slowly set over time here in the province by a singular lack of development of new rental properties over the last decade; two, an unbelievable, unprecedented increase in the value of property across the province . . . [interjection] Yes, indeed. Wait for my number three, please. I'm trying to educate you there, Mr. Vermilion-Lloydminster.

Number three, you have so many more people moving into the province. So you've created a situation where people want that property. People want to buy a condominium, lots of people do, or they want to buy a home, perhaps those starting a family and whatnot. But then there's a whole sector of the population where that possibility has been entirely removed and entirely removed in the last 24 months or so, which is quite unbelievable, quite astounding, I would venture to say.

I don't have to think back too far to when my family and myself were just thinking about entering into the home market and whatnot. You're evaluating that equation. You're saying: "Okay. I'm paying this much for rent, but then of course I can put some equity into a home, and perhaps that will work for me." But if that rent is so

astronomically jacked up during that period of time when you're making that decision, then at the same time the cost of any potential properties go up through the roof, those two equations quite literally work together to create that rent trap that so many thousands of people are finding themselves in here today.

I for one believe that as part of our responsibility to the stability of society we should create a mechanism by which (a) people can have affordable month-to-month rent but also (b) are able to perhaps have some assistance to make that first foothold into a mortgage where they can invest in property and, in fact, create some equity for themselves as well.

So to move back to the immediate problem at hand, then, certainly if I take this Bill 34, which is a fine piece of introductory information perhaps, and simply insert A1 onto the back part, which is needed, that is the first stepping stone to solving both of those problems that I've just suggested, Mr. Chair. You know, it's an issue that a lot of people are following, perhaps not exactly as we are, that's unfolding here this evening. They're certainly going to wake up in the morning and say: "Okay. Well, what do you have for us? What do you have for us and how can we provide some peace of mind so that we can move forward on this issue?" That's not what we're doing now. We're not moving forward. If Bill 34 stands in half, like some members are suggesting here this evening, then all we're doing is creating this licence to have instability for the next year coming around.

You know, I'm not one to try to assist with the planning of other political parties, but if we have this happen in the 365 days and you get all your retroactive whatnot that you try to do here, which I highly doubt by the way because the very first thing that these large rental companies are going to do is sue. They're going to say: "You can't retroactively do this back to April 24, la-di-da-di-da. What on earth are you doing?" We'll end up in litigation for one thing, I would suggest, which is hardly the best place to spend public money.

This is also going to create a situation 365 days from now with our calendars. It's going to put us to next spring when people are going to be hit again with these massive rental increases and more instability and whatnot. I don't really think that that's the best political thing to do.

Once again, I'm not giving out free unsolicited advice to other political parties, but really this thing is not going to go away. This is not like where you can just go with natural gas and say: oh, well, we'll give everybody more money, and they can pay their natural gas bills next winter when it gets cold. You know, turn on that subsidy, and away we go.

We're talking about qualitative and quantitatively much larger economic forces here, a much larger sum of money, and if we're going to go to subsidies, we're going to be talking about hundreds of millions of dollars of public money being thrown into some half-baked plan to subsidize rents that are flipping up and down like, you know, so many flags in the wind. That's certainly not a good use of public money, and the subsequent instability, I'm sure, is not going to cause people to be deactivated from the political process. I think quite the opposite. Again, you're creating quite a volatile situation.

You know, we're social democrats, and we believe in very certain guiding principles that are very important to all of us as a society. Personally, I'm quite conservative in regard to not having unstable situations being imposed upon the public where they don't know what is going to happen the next week, the next month. That's what you're doing over there. You guys are creating a situation where people don't know what on earth is going to happen from month to month, and that is not good conservative policy, conservative in a personal sense, and that extends into the larger sense.

Once again, unsolicited advice: if you want to go with the name,

if you want to talk the talk, you have got to walk the walk. Right? Make sure that you're creating long-term stability so that people know what's going to happen next and they can plan based on that. That works on a micropersonal level and a macroeconomic level as well.

So here I am with amendment A1, and certainly I think we have more in our arsenal to help to move this forward. Once again, I ask: all people know in the back of their minds that they're facing a big problem amongst our constituents, right? This extends not just to urban areas but also, you know, smaller centres as well wherever there's rental accommodation. This is not going to go away.

By simply accepting some small compromise in the spirit of democracy – and if you flap your wings like that, you're not going to fly there, Member for Edmonton-Mill Creek, no matter how hard you try – then certainly thousands of people are going to be happy.

It's not as though rental agencies and rental companies – I mean, they make corporate decisions, or you make individual business decisions. They know that some sort of regulation is going to have to come into force because, you know, things are working out, and they like to have stability in their rental accommodations as well. You get some nice tenants in a place, and away you go. You develop a relationship, and to have people being forced around and moving here and there and everywhere all the time, that's not good for the management side of rental accommodation either. So certainly we can help to be more responsible in that regard too and create a long-term stabilizing situation here for a year or so, and let's see what happens after that. Really, I don't think that's an unreasonable thing to think about.

12:50

You know, when I look at the larger forces that have brought us to this point, where I have Bill 34 in my hand and amendment A1 in my other hand here, we're going to have to face that this is a symptomatic problem of a much larger issue that we're going to have to face here sooner or later. Once again, looking at using basic principles of social democracy – right? – and that personal sense of conservatism, I like to see things stable, certainly, and everybody does.

Let's see what some of the reasons are that we're facing this at this point in time. We have to say it – and certainly it's becoming abundantly obvious – that we have an overheated economy that's creating all sorts of economic distortions, of which this is one. Until we face up to that fact – I mean, it's not so hard to inflame the economy somehow if you suddenly just take out certain elements. You let everybody go gangbusters on a commodity that has strategic importance for North America right now, and you try to remove as many regulations as possible. You know, it's just like throwing all the conditions for a great flame-up of a bonfire, and that's what seems to be happening to our economy now.

But as you concentrate so much economic activity into a single industry and you bring in so many people and you bring in so many requirements for that population in regard to infrastructure and education and health care and housing, you have a recipe for disaster. You know, it's not like this hasn't happened in different places in the world at different times. It's not as though we can't learn from the very same things that have happened in other parts of the world, where a single commodity has inflamed the marketplace and people have rushed in from all over the world and everything gets distorted and it all goes up in a big puff of smoke eventually.

Personally, I've made a point of deciding to live in this place and put down roots and have a family here. I refuse to let that happen. You know, this housing thing with distorted rent prices is symptomatic of a larger problem that I don't want to visit on my children or

the young people that are around us here today. I have a personal sense of responsibility that tells me that a sense of stability, a sense of moderation in all things, and above all a sense of decency, that each person is entitled to a roof over their head, a sense of equality, a real piece of the economic pie that we have here, and above all a sense of social justice so that we're not starting with smaller problems here that will simply bulge out and create much more serious problems in the not too distant future.

Mr. Chair, I certainly am excited and invigorated to see that Bill 34 is being strengthened by this first amendment, and I would encourage all members to consider supporting it because, you know, I think we have a responsibility to put these things in place. It's not as though we're breaking the bank with it. Right?

You know, this whole notion of prying money out of the landlords' hands by putting in some small regulation is absolutely patently false because the money is from the renter in the first place, right? This whole notion that the landlord is going to get all the money eventually, I mean, that's somehow quite a dark view of things. When we heard that this afternoon, I almost fell out of my chair with shock and horror. This idea that the landlord gets all the money there, and they're going to get it all eventually anyway, well, maybe we can let it sort of trickle through so that this inevitability doesn't happen all at once and, in fact, will come over time, and eventually, maybe, if you want to get it all, you can pry the last few pennies out of my cold hands.

Mr. Chair, I was delighted to watch through the tender light of dawn here the first amendment, A1, slip through and find support amongst my colleagues on both sides of the House. Let's do the right thing. Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. It's with interest that I participate in the debate this evening on amendment A1 to Bill 34, the Tenancies Statutes Amendment Act, 2007. Certainly, when we look at this whole crisis that has been created because this government has no plan, no plan whatsoever, this is a consequence: a rental market that is totally out of control.

Now, where it's completely out of total control is in the municipality of Wood Buffalo, and it has been under this government's watch where not only tenants but landlords have also had other costs to deal with. One of the costs that our office receives constant complaints on is the cost of electricity.

An Hon. Member: Enron.

Mr. MacDonald: Yes, the high cost of electricity brought on by the electricity deregulation plan was designed by Enron and adopted by this government.

[Mr. Lougheed in the chair]

Mr. Snelgrove: And that's why the rents are so high.

Mr. MacDonald: That's one of the problems that renters have and one of the problems that landlords have. But we do know that landlords such as Boardwalk had their electricity prices stabilized. Their costs were stabilized.

Now, Mr. Chairman, if there's one reason and one reason only why this government should adopt this amendment, it's because of history. The recent history of this Assembly is that not once but twice this government put a cap on electricity prices because of another plan and another scheme that was devised and adopted by

this government that didn't work, and that's electricity deregulation. Before the 2001 election, in the fall of 2000, there was a crisis with electricity. We capped the price of that, and then we gave out big-time subsidies to consumers to hide the level of incompetency of this government.

Mr. Boutilier: You mean the natural gas rebate?

Mr. MacDonald: No, hon. member, I don't mean the natural gas rebate. I mean the caps on electricity prices.

The Acting Chair: Hon. member, through the chair, please.

Mr. MacDonald: Yes. I apologize, Mr. Chairman.

So when we look at this amendment and we look at the good intentions of the Member for Edmonton-Glenora, let's have a look at the past history of this government. The government had no qualms, no problem with caps. So in my view and the view of many others there shouldn't be a problem with this amendment. This amendment reads, hon. members:

No increase in rent payable under a residential tenancy agreement shall be greater than the rate of inflation as measured by the All-items Consumer Price Index for Alberta published by Statistics Canada for the immediately preceding year, plus 2%, for the period April 24, 2007 to April 23, 2009.

The hon. member should be commended for this amendment.

Now, the hon. Member for Wood Buffalo . . .

Mr. Boutilier: Fort McMurray.

Mr. MacDonald: Fort McMurray-Wood Buffalo. You'll have to excuse me at this hour.

But I would remind all hon. members before they vote on amendment A1 to have a look at the convention resolutions from the Alberta Urban Municipalities Association, their 96th annual conference in 2002. I'm sure the hon. Member for Fort McMurray-Wood Buffalo was in attendance.

Mr. Boutilier: I was the minister of municipal affairs.

Mr. MacDonald: The minister of municipal affairs at this time.

The Acting Chair: Hon. member, through the chair.

Mr. MacDonald: Well, Mr. Chairman, absolutely. Now, here's what the municipal district of Wood Buffalo wanted to do for rent stabilization, and this is why we should support the hon. Member for Edmonton-Glenora in his resolution. The Wood Buffalo community had this to say: the regional municipality of Wood Buffalo, like other municipalities in the province, is experiencing a lack of affordable rental accommodation for its residents. Rents have increased 42 per cent since 1999 in our municipality and continue to rise. We have experienced accelerated residential developments in single-family dwellings, duplexes, and condominiums. In addition, existing rental accommodations are converting to condominium and all-adult accommodation.

1:00

There has been a minimal development of rental accommodations. Throughout Alberta there has been a 10 per cent decline in affordable residential development, coupled with a 10.3 per cent increase in population. Our region has experienced a 38 per cent increase in population since 1997.

Now, this is in 2002. Did this government, Mr. Chairman, do anything between 2002 and the current housing crisis?

An Hon. Member: No, but the . . .

Mr. MacDonald: No. The hon. member is absolutely right. They did not do a thing.

This is, again, from resolution A(2)(1) from 2002. This is the regional municipality of Wood Buffalo. They want something done. Five years later, nothing. Now, if I could proceed, Mr. Chairman. For every job in the oil sands industry there are three jobs created in the service sector. Due to the high rents in Fort McMurray our service industry is experiencing shortages in staff and high turn-overs. Residents cannot afford the rent when their wage is minimum.

A ministerial advisory committee review, chaired by Mr. Thomas B. MacLachlan, conducted in 1991, indicates that rent control has benefits such as protecting the poor, stopping inflation, preventing arbitrary eviction, and preventing rent gouging. The Residential Tenancies Act, the RTA, which governs landlords' and tenants' rights inclusive of rent increases, is a legislation that was up for review in 2001. To date, Alberta government services has not initiated public forums or consultations with respect to the review of the Residential Tenancies Act.

Now, that's the background from the municipal district of Wood Buffalo. They resolve, Mr. Chairman, that the Residential Tenancies Act be changed to reflect the following, and this is why, hon. members, we must support amendment A1 this evening on Bill 34: rent may be only increased once per year for monthly periodic tenancies with at least three tenancy months' notice, and rent may be only increased on the basis of the annual cost of living, as determined by Statistics Canada, plus 1 per cent.

The hon. Member for Edmonton-Glenora is talking about 2 per cent, Mr. Chairman, but this is a resolution that was before the AUMA in 2002. This is a very respected, progressive organization with the best interests of Albertans in mind. This resolution alone, five years ago on rent stabilization, is reason enough for this front bench to finally realize that there was no plan. They were given ideas. They were given lots of good, sound ideas on this side of the House. They were given lots of good, sound ideas.

The stabilization fund is one, hon. President of the Treasury Board, and you know it. You have \$7.5 billion to spend now as a result of the prudent fiscal ideas coming from this side of the House. I can't imagine – I wasn't there – but there must have been quite an arm wrestle between yourself and the Minister of Finance on what to do with the \$7.5 billion. I'm sure that the Minister of Infrastructure and Transportation was the referee in that. I'm sure that he was, and I know who he was hoping would win too.

But anyway, I'm getting off, and I apologize. The Residential Tenancies Act should have been changed in 2002 to reflect what was proposed by the regional municipality of Wood Buffalo. It wasn't. But we have a second chance here with amendment A1 as proposed by the hon. Member for Edmonton-Glenora. Many of the hon. members in this House this evening didn't have the good fortune of the hon. Member for Fort McMurray-Wood Buffalo to attend the conference that was held in the fall of 2002 in Calgary, but there is still hope. That's why I would urge all hon. members to give serious consideration to the amendment as proposed. If it was good enough for the AUMA in 2002 to be in the resolution book, surely, five years later, after this crisis has escalated . . .

[Mr. Shariff in the chair]

Mr. Snelgrove: I think you're right. So let's have a vote.

Mr. MacDonald: We should have a vote, yes. We will have a vote. There are other resolutions in this booklet that also support the hon. member's amendment A1. Certainly, when we look at our own compensation packages, we are protected from inflation. Tenants should be. Now, landlords, they may have a different idea. I have a brother who was a landlord, and he has certainly had his experiences with bad tenants. I've cleaned out his place on occasion with him after a tenant has skipped town, and it's not pretty, to say the least. It certainly isn't. I have a lot of sympathy for landlords, but landlords are like tenants: there are good and bad ones, Mr. Chairman.

Mr. Boutilier: So you have sympathy for landlords.

Mr. MacDonald: I certainly do for good landlords. But in light of this government and its inaction and its lack of due diligence and lack of good planning over the last five years when resolutions like this should have been adopted and were not by this government, we need on a temporary basis the measures that are proposed by the hon. Member for Edmonton-Glenora.

We had a look at Fort McMurray. Let's have a look at Red Deer.

An Hon. Member: Okay. Are you going to go around the whole province, Hughie?

Mr. MacDonald: Yes. I hope to get to Rocky Mountain House too because the good citizens of Rocky Mountain House also had some good ideas.

Now, Mr. Chairman, regarding amendment A1, the residential tenancy agreement, let's consider what Red Deer had to say, again at the AUMA convention in Calgary in the fall of 2002. They indicate that this is their definition of affordable housing: the definition of affordable housing used by people working in the field is housing that is generally accessible to most people with low income. The present homelessness and transitional housing programs initiated by the federal and provincial governments address the emergency situations which people with low or no income are facing in most cities and many towns. One could understand why a government would begin with programs to assist the persons in most dire circumstances; however, the final year of three years of homelessness funding has begun and work now needs to begin on the continuum of housing and supports for the long term.

This is in 2002. This is the city of Red Deer. The approach must be on two fronts: the affordable housing stock must be increased at the same time as the financial resources which people have to pay for that housing is increased.

1:10

Now, this amendment A1 would certainly apply to the second front, Mr. Chairman. Many groups, including many groups that the hon. member heard when he was on the housing task force, have advocated for supplementing the shelter rates for people receiving supports for independence and assured income for the severely handicapped. The difference between the shelter rate for an individual receiving SFI, \$168, and this is in 2002, and the rent for a one-bedroom apartment in Red Deer, for example, \$548 in June of 2001, means that the person will always be in an emergency situation because more than their income will be spent on any shelter that they can find.

There's a gentleman that lives in my neighbourhood that's on AISH. He got an increase in the budget, 50 bucks a month. He got

a \$400 a month increase in his basement suite. There went the modest increase and a lot more, and this gentleman is not in a position where he can pick up a little bit of extra cash by working part-time.

In order to support the affordable housing initiative that was initiated by the city of Red Deer, they went on to say here, Mr. Chairman, that the income of individuals and families who are not in receipt of social program funding for shelter needs to be increased. The average salary for a female in Alberta in 1996 according to Stats Canada was \$28,000. That's 2,300-plus dollars a month. For a male, \$42,000 or \$3,500 a month. Obviously, many people were below the average.

Mr. Chairman, in the discussion in the debate on this whole bill and the discussion during question period, I sit quietly, and I listen, and I hear the pledge of over \$200 million. I think it's in total \$285 million that is going to be set aside. What amounts are being set aside for people in this income bracket? There is a modest initiative for SFI and for AISH people, but how do you tell these people? Do you tell them when they come home from work and they have a \$400 or \$500 rent increase slipped under the door, maybe they should work more overtime or get a second job? Is that the answer, hon. minister of the Treasury Board? [interjection] It happens all the time, unfortunately. [interjection] Well, it's going to be heat and light and rent. It certainly will. People are going to have to make a choice because it's getting unaffordable. The hon. minister knows that, and I think he's just poking tease at me and trying to provoke me.

Now, the city of Red Deer is quoting Linda McQuaig. I'm sure the hon. members across the way read her books with interest. Linda McQuaig, the keynote speaker at the year 2002's Canadian housing and renewal congress held in Ottawa, reported that the top earning group in Canada has experienced a 16 per cent increase in earnings whereas the bottom earning group has experienced a reduction by 3 per cent. As this gap widens, market rents and owned housing become out of reach for a significant portion of Alberta and Canadian citizens. In 1968 the government of the day declared that all Canadians deserved adequate housing whether they can afford it or not. These are the comments and the background that are provided by the city of Red Deer.

The city of Red Deer through the AUMA is asking that it be resolved that the Alberta Urban Municipalities Association requests that the government of Alberta provide new funding combined with the government of Canada for affordable housing and that the funds be approved and programs be developed to produce affordable housing for households with low income. That's one. That's one thing, and it has been neglected. It has been neglected by this government.

Further, they say: let it be resolved that the Alberta Urban Municipalities Association requests the government of Alberta to work with the private sector. [Mr. MacDonald's speaking time expired]

Mr. Boutilier: Well, I sense this Assembly needs a bit of energy, so I will take the appropriate time to do that. I want to first of all say that I appreciate the comments and the history from the AUMA dating back five years, but that's five years ago. In fact, the members of that council were not re-elected based on some of the advocates that they have put forward. So I think it's an important footnote. But isn't it true that your relative, the landlord, also said that rent controls don't work?

Mr. MacDonald: Point of order, please, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar on a point of order.

**Point of Order
Imputing Motives**

Mr. MacDonald: I'm rising under 23(i) and (j). I'm asking the hon. member to retract that. I did not say that, and it was not implied, and I want him to withdraw that comment, please.

Mr. Boutilier: Mr. Chairman, my comment was this: isn't it true that your relative had said that he did not support rent controls as a landlord? That was my question that I posed to him rhetorically in what I had said. So I've posed that just like many other landlords have posed, saying that rent controls do not work.

Mr. MacDonald: I'm sorry. I cannot accept that. I know clearly what the hon. member stated, and that is not what I said in my remarks. It's not what I said in my speech, and I'm asking him, Mr. Chairman, to withdraw.

Mr. Boutilier: I did not say . . .

The Deputy Chair: Hon. minister, you had your opportunity to speak.

Hon. minister, the hon. Member for Edmonton-Gold Bar feels that you made a statement that implied he had said certain words. I don't have access to the Blues, and I know that it's quite late in the evening, early morning now.

Mr. Boutilier: Mr Chairman, if the hon. member thought I said that's something he said, I did not say what he had said. Just to make that perfectly clear. I hope that clarifies this to the . . .

The Deputy Chair: Hon. minister, sit down.

Hon. members, I do not have access to the Blues, so I cannot kind of go back and forth, but certainly the hon. Member for Edmonton-Gold Bar indicates that he did not say what the minister is alleging to have been said. We are all hon. members in this Assembly. We all trust each other, you know, that when you say that you did not say that thing or you did not mean to say that thing, we have to be respectful of that. So it would certainly help if the minister would just retract those remarks and then proceed with whatever else he has to say.

Mr. Boutilier: I am sorry that he misunderstood what I had said that he did not think that I had said. Having said that, I would like to move on with what I am saying.

Thank you, Mr. Chairman.

Debate Continued

Mr. Boutilier: Now, getting back to the more important point that rent controls do not work, Mr. Chairman. I can see that the hon. member is shaking his head, and I can hear that he is agreeing with me in terms of what he is saying, and I appreciate that, to the hon. member and through the chair.

Having said that, Mr. Chairman, as we go forward, I think that what is really the fundamental principle of this – and the amendment I cannot agree with – is that we want more supply. I'm quite certain that the hon. member would agree that if he thought for one moment that dollars would not go towards building more units and more supply for renters to help our citizens and our voters, he would never want to have a rent imposition that would be a detraction to in fact

creating more supply. Because the ultimate solution, as the honorary chair of Habitat for Humanity, is each of us being out on roofs building, in fact, more supply.

In fact, if we were to take all this energy in here today and in the last couple of weeks, we could have perhaps gone out and added to supply and truly helped our citizens that vote for us, in terms of getting more units on in the marketplace. So let us not lose sight of, not the political rhetoric that goes on, ultimately: what are we doing to increase and help supply? So any time you talk about rent control, you're sending uncertainty. You're sending messages saying: we believe that we should be able to control.

1:20

I have to ask you this, hon. member. What about when you were going back to those years when the landlord was in actual fact at the time paying and collecting rent of \$500 and their actual mortgage on their rental property was a thousand dollars. I didn't hear the Liberals back then say: by the way, we want to step in and help those who are helping renters. My question is: is that what you would be suggesting in your amendment? Maybe your amendment is actually only half of what it should be.

In order to be consistent and balanced in what you're saying, I said that I suggest to you that at a time when renters were paying \$500 and people who owned the rental property were paying mortgages of a thousand, what about the gap then? I didn't hear the Liberals say anything or add any amendments at that time, and ultimately if we are to be adding a balanced debate in terms of this important issue, we want more supply so that renters can someday, I envision, stand up and say: "I'm sorry. I'm not renting from you with your \$300 rent increase. I'm going across the street, and I'm going to be in another competitive market where my rent is actually going to be lower." That is the ideal situation for me, and how do we get that? By getting more, more, more supply on the market. Your amendment will not do that. It will slow that down so that there's even a slower supply of units, and ultimately you're hurting those who are renting today.

I say to you that your amendment is as much a noble attempt at rhetoric, but ultimately you know and I know and even some Liberals know – I'm quite certain in my own mind that you're over there saying that rent controls don't work. In fact, I'm certain. Think about that some time. You know that they don't work. So ultimately supply will be hurt. Why would any political party of any political stripe want to hurt having more supply to help renters on this market?

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Chairman. I'm pleased to rise. I wanted to respond to the Minister of International, Intergovernmental and Aboriginal Relations. I don't think he's the minister of affairs; I think he's the minister of relations. I just wanted to indicate to the minister that when he says that he's shocked that the Alberta NDP is in favour of economic growth, you know, he's really misread us and we're deeply hurt. I want to indicate to him . . .

Mr. Boutilier: Mr. Chairman, I stand and apologize if the hon. leader of the third party is deeply hurt about anything I have said.

The Deputy Chair: Hon. minister, the Member for Edmonton-Highlands-Norwood has the floor.

Mr. Mason: Thank you very much, Mr. Chairman. You know, what the Alberta New Democrats favour is balanced long-term growth which provides full employment for all Albertans and, indeed, for Canadians who want to come here and make a life or just want to come here and work for a while, and we believe that this can be accomplished in a much better way than what's happening now. You see, unlike the government we don't feel that we're responsible to provide employment for the whole world, and certainly housing is a very important part of this, and I am going to come to it.

The whole question of a more rational pace to the economy of this province and particularly for the development of the tar sands makes a great deal of sense from a lot of perspectives. Not only do we preserve the resources for Albertans and Canadians and develop a good strong export market to the United States and other countries, but we have a chance by going a little bit slower to catch up with our infrastructure, which even with the record spending of this government we're not going to be able to keep pace with if things keep going. We make sure that we can protect the environment, and we make sure that we can provide housing for people. You see, I was going to get to the housing.

When we talk about housing, we need to talk about supply, but we also need to talk about demand. The present course of this government is going to multiply and compound all of the problems we have in all sorts of areas, including housing, because it's a reckless approach to the economic development. So if we have a little bit more of a rational pace, then we preserve our resources for longer and make sure that they're around for future generations and that we don't just leave the next generation a giant hole where northern Alberta used to be and a multibillion dollar environmental liability where the tar sands used to be. But that's where the government's going.

So dealing with the housing question, I urge all hon. members, including the minister, to support this approach. We think the government could have done a lot in the past in different places if it had played a little bit more of a role in balancing supply and demand and making sure that housing was brought online or, for that matter, that land was brought on in a timely fashion. The government owns a lot of land. The government owns a lot of land in the hon. minister's community, yet it has some of the highest housing prices in the entire province, indeed the entire country, which could have been alleviated if the government had brought that land forward to the municipality in a timely fashion, as in some years ago. It may be that the municipality overplanned when the minister was the mayor. But, you know, overplanning, underplanning: it's all not very good planning.

We think we could do better, so we certainly think that the people of Alberta deserve the opportunity to hear from us and from other parties without, you know, just trying to distort our position when it's presented to the public and to create a caricature of the position that we take or a caricature of the position that other parties take. That's all very important to us.

So, Mr. Chairman, just to conclude, I would urge all hon. members to support this amendment from the hon. Member for Edmonton-Glenora as it closely conforms with NDP policy and, therefore, would be highly beneficial for the people of Alberta as a result. We certainly support it.

Thank you.

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

Mr. R. Miller: Thank you very much, Mr. Chairman. My pleasure to rise this morning and speak to amendment A1 on Bill 34. This amendment, as the hon. leader of the third party pointed out, is not

only similar to NDP policy but, in fact, exactly reflects the policy that was promoted and recommended by the housing task force. I think that's the most important thing for the NDP members to understand. I know that they mentioned earlier that this is not exactly in line with the Alberta Official Opposition policy, and I will acknowledge that that is in fact the case, but we felt as a caucus that our first amendment would most appropriately be in line with that of the task force because of the good work that they had done and recognizing that the task force brought together members of all three parties in this House as well as a number of people from social agencies that deal directly with this issue. So it's not in any way denigrating the Official Opposition's policy but, rather, a recognition of the good work that the task force did and, in fact, supporting their position and understanding, as we've pointed out many times over the last several days, that the task force recommendations, in order to be fully effective, at least in the minds of those who served on the task force, have to be adopted as a package and that you can't just cherry-pick here and there, you know, individual pieces to make them work.

1:30

The minister earlier today challenged me to identify exactly how many of the 50 recommendations were already adopted or taking place or being worked on by the government and said that that's why they weren't in fact adopted by the government when they made their response to the recommendations. I would challenge the minister. If that is their position, then, quite frankly, Mr. Minister, I really don't understand why you wouldn't have just adopted them anyway. If you're already doing those things or if you're working on them already, why wouldn't you just adopt them?

I mean, right now – and I'm sure many members opposite would admit that – this has become a public relations disaster for this government. The chaos that they have created in the marketplace with the mishandling of this file over the last several weeks has created a public relations disaster for this government. We've seen that quite clearly in the extraordinary response that they've made over the last two days to the individuals that have come down to this Legislature to have their concerns heard.

There's no question that this government is now in full damage control mode trying to somehow – somehow – extricate themselves from this mess that they've created. Quite frankly, Mr. Chairman, I'm not sure that they're capable of doing it. I don't know what they're going to do because they've backed themselves into a corner on this one. They know they're on the wrong side of the issue, and there really is no good way out for them at this point.

You know, love him or hate him, one thing that you could always say about former Premier Klein was that he knew when to back up the truck. He knew when to acknowledge that his government had made a mistake. He knew when to admit that the people had spoken and that his government was wrong. Clearly, that is the situation this government finds themselves in now, but unlike the situation when, as an example, they wouldn't allow the sterilization victims to sue, this government has not recognized yet how badly they've misjudged the public sentiment on this particular issue.

Mr. Chairman, I submit to you that for whatever reason this government is out of touch with the views of the so-called severely normal Albertans, the Marthas and Henrys that they've touted for so many years now as being the gauge, the moral compass of this government. They've lost it. [interjection] They are so out of touch – to the hon. Member for Edmonton-Gold Bar – that, as I say, they're taking extraordinary measures this week to try to deal with the public relations disaster that they've created, even to the point where this afternoon I understand that a memo was issued reacting

rather violently to the inclusion of the media in a meeting with those constituents that were here today. I find that quite interesting given that they tout time and time again the openness and accountability of the new administration. Yet all of a sudden the openness aspect of that certainly seems to be in jeopardy.

Mr. MacDonald: Did they close the doors on some of them?

Mr. R. Miller: They not only closed the doors, but they had asked the media to leave the meeting. Then they were apparently upset when the constituents – the constituents – that were here to have their concerns heard expressed that they would like the media to be present. In fact, the media was then invited back in, and they were quite upset about that. So I think, as I say, this pokes a bit of a hole into the claim about openness.

Mr. Chairman, as I was listening to others debate this amendment this evening, I was also checking a number of news websites, and it's interesting that today, finally, a number of members of the task force are starting to speak out. I'm not sure exactly why those members have been relatively quiet since the release of the report on April 24.

Mr. Elsalhy: It's called the fear factor.

Mr. R. Miller: Somebody beside me suggested that it might be the fear factor, and that is a real thing in this province. We know that for a fact. I encounter it almost daily in my role as the shadow minister for Finance and Service Alberta, so that might well be it.

As an example, there's a quote attributed to Michael Farris, who is the executive director of E4C, formerly the Edmonton City Centre Church Corporation. Mr. Farris says directly: it disturbs me that at this point the province does not have the same appreciation of how critical this is. So as I suggested a minute or two ago, clearly this government is now out of touch with those severely normal Albertans that they always considered to be their moral compass.

Another member of the task force, Mr. Chairman, Mary Ann Eckstrom, a councillor from the county of Grande Prairie who I met with when we were up there a month or two ago, says: there is a problem with not having rent controls when you have gouging going on.

I said earlier today in debate, and I'll ask the question again. If rent controls are not the answer – and that is clearly this government's point, their position tonight. I see the Solicitor General nodding his head. If it is their belief that rent controls are not the answer to the gouging, then what is?

Mr. Lindsay: Bill 34.

Mr. R. Miller: Bill 34, Mr. Minister, does not address the gouging, and you know that that is a fact. The Solicitor General has indicated that Bill 34 will address the gouging, but there is absolutely nothing in Bill 34 that addresses the situation of gouging. Absolutely nothing. You know, there have been some intimations that perhaps the Housing minister may chat – may chat – with the landlords. I'm not sure just exactly what that means. I have a vision of what that might mean, but I'm not sure what it means.

As I say, there's nothing in this bill that addresses the gouging, and the gouging is happening. In fact, the government is taking a lot of heat over the gouging, and whether you like it or not – and I will concede that there are an awful lot of great landlords in this province that may be impacted by temporary rent guidelines – the bottom line is that this amendment would address the gouging. Nothing the government has offered up so far addresses the gouging. Nothing.

Nothing, Mr. Solicitor General. There's nothing that you folks have said that addresses the gouging, and that is the number one issue that people are facing right now. Somebody is asking: how much is gouging? I cited an example earlier today.

Mrs. Jablonski: How much gouging is going on?

Mr. R. Miller: Does it matter? Mr. Chairman, the Member for Red Deer-North is saying, "How much gouging is going on?" as if to somehow indicate that some is okay but that more might not be okay and that if it reaches a certain amount, then it's totally unacceptable, and the government will have to step in. Is any gouging okay? Is that what you're suggesting?

We had an example the other day that was raised by the leader of the third party where a grandmother – and this was verifiable; she was in the gallery yesterday – 75 years old was given a \$1,000 a month increase. The Premier acknowledged at the PC convention last weekend that that is un-Albertan. Okay? I don't think there's anybody in this room tonight who wouldn't agree that giving a grandmother a nearly triple rent increase is gouging. Of course it is. We all understand that. That's gouging.

So now we know that the line has been drawn at \$1,000 on a \$600 per month rent, that that is gouging. So the question, then, is to the Member for Red Deer-North. Her question to me was: how much is happening? Well, if that was the only case in the province, is that okay? How many of those examples do you need? We know there are more. There have been verified instances of \$1,000 a month and more increases taking place in Calgary. How many do you need before it becomes a problem for this government?

1:40

I cited an example earlier today – and since you bring it up, I'd like to mention it again – of a gentleman who lives in Yellowbird suites. He's taking English as a Second Language and raising three children, working a part-time job as he's doing all of this, trying to make a life for himself and his family in a new country. His rent went from \$710 – it went up \$485 – to \$1,195, I believe. I'm just going to get the exact numbers here. Yes, from \$710 to \$1,195, so this is an increase of 68 per cent. Now, in my mind, that's gouging. I don't know if that is gouging in the mind of the government or not.

Ms Blakeman: It doesn't matter. They're not going to do anything.

Mr. R. Miller: As the Member for Edmonton-Centre has suggested, it doesn't matter because you're not going to do anything.

In fact, the leader of the third party pointed out a minute ago that despite the fact that the 75-year-old grandmother is getting a \$1,000 rent increase, you're not going to do anything about that either. Sure, the Premier has acknowledged that it's un-Albertan, but there's no legislation to deal with it. There's nothing in Bill 34, despite what the Solicitor General says, to deal with the gouging that's taking place. Until this government offers up something else that will deal with it, you're going to keep seeing amendments like this, and we'll stand here all night and all day tomorrow if we have to debating it because you have to do something to address those particular instances.

As far as I'm concerned and as far as this caucus is concerned, one instance of that is too many. One instance is too many. You have to find a way to deal with those, and until you do that, I'm willing to spend as long as it takes to stand here and debate amendments to protect those people. I put the challenge out to the government again: if rent controls are not the answer, please tell us what is. You have not given us anything yet, and I'm still waiting. I will wait, and I will wait, and I will wait.

Now, since I mentioned the instance of Mr. Deria, I'd just like to point out some of the specifics around this. To the minister of municipal affairs, who challenged us the other day to bring him real examples: he's going to be sorry he ever spoke those words. Mr. Deria is one example of 300 at the same school that he's attending. His instructors are telling me that every day their students are coming to them with stories like Mr. Deria's, so this is not one instance. You're going to have people streaming through here day after day, week after week, month after month, as long as this House sits, with these examples until you come up with legislation to deal with the gouging. I hope that the Member for Red Deer-North is going to begin a tally and keep track because it's not one example, unfortunately. It's not two or three. There are going to be many, many, many examples of this.

We know that if Bill 34 passes, it doesn't deal with the gouging. Sure, it will limit increases to once per year, and those are retroactive, 12 months prior to April 24. So that means, as an example, that if somebody had an increase last October 1, they'll get an increase this October 1, and there's absolutely nothing that this government is doing to control how much that increase will be.

Mr. Elsalhy: Even that is not in the bill itself.

Mr. R. Miller: This is a really good point that I've been meaning to bring up. I'm not sure if anybody has mentioned it yet, but the Member for Edmonton-McClung mentions it now, so I'm going to put it on the record. There is nothing in this bill that specifies the timelines despite the fact that the government has trumpeted the fact that this legislation is going to protect people by giving them only one rent increase per year and a year's notice for condo-ization or major renovations. There is nothing in this legislation that specifies those timelines. It's all in the regulations.

My Lord, I shouldn't have to go here again, but here we go again talking about how often this government puts important stuff in regulations that can be changed in backrooms with cabinet ministers only: no public debate, no public scrutiny, no public consultation. So here we go again with the government promising relief to renters, promising them a year between rent increases, promising them a year's notice for condo-ization or major renovations that might see them evicted, yet it's not in the legislation. There's absolutely no guarantee that this government wouldn't come back three months from now or six months from now with an order in council and change the rules all over again, and what people thought was going to protect them for a period of time is suddenly gone, without any public consultation, without any public debate, and without any public scrutiny. I will say it again. I've said it before. Every member across the way should be ashamed for doing that. If this legislation is so important in the government's mind and it's going to go so far towards protecting tenants, then let's do it right and put the numbers in black and white tonight in front of people so that they can see that you're good for your word. It's not even here in printing for them. They have to trust that this Premier and his ministers are going to do what they say they do in the backrooms away from the public eye, and that is just not good enough. With a government that claims to be open and accountable, they're continuing to do most of the work in regulation.

Now, Mr. Chairman, one of the arguments in the past for doing this has been that the House doesn't sit often enough, and there may be a need to change, and they have to be able to react quickly. Well, with the new House sitting rules we know exactly when the House is going to be sitting next year, in the year 2008. We know for sure that there's a guaranteed fall sitting. I would submit to you that

there is absolutely no reason for this government to use that excuse ever again.

Mr. Lougheed: The Committee of the Whole will still be going on then.

Mr. R. Miller: The Member for Strathcona suggested that this Committee of the Whole may still be meeting at that point, and do you know what? Unless we can talk some sense into the government, he might just be right.

I said I was going to outline some of the specifics surrounding Mr. Deria's case, and I would like to do that now. Mr. Deria came to Canada in 1990, lived in Ontario until the year 2006. Right now he's on a monthly rental agreement since October of last year. The good news for Mr. Deria is that this increase notice that he was given to be effective August 1 – well, actually, when this legislation passes, this increase will be deferred to October 1. So he'll buy two months before his rent goes up 68 per cent. I'm sure that provides a modicum of relief to him but obviously not near enough.

A new property owner purchased the unit last fall, and as I say, once the deal went through, immediately the rent from \$710 to \$1,195. I had mentioned earlier that he's a married man with three young kids nine, eight, and four years old. He's attending the Metro Continuing Education English language institute, taking English as a Second Language, in the fabulous constituency of Edmonton-Centre, Mr. Chairman.

I think I had mentioned before that there are currently about 300 students that these two instructors that I'm speaking to are dealing with. They say to me that most of the students are on learner benefits while they're taking their ESL training. Many have come to their instructors to let them know about the substantial rent increases that they're dealing with. The instructors indicate that a rental increase makes a huge difference in their ability to pay their bills and has a huge impact on their family lives, as one can only imagine if you look at a case like Mohamed's, where he's raising three young children, trying to work a part-time job and go to school and suddenly a 68 per cent rent increase, Mr. Chairman. Again, nothing in this legislation will address his problem.

The Deputy Chair: Are you ready for the vote on amendment A1?

Some Hon. Members: Question.

Mr. Chase: Mr. Chairman, I was standing. You probably weren't able to see me.

The Deputy Chair: Hon. member, the chair has already called the question, so I'll proceed. We are still in committee, and you'll be able to speak to the bill.

[The voice vote indicated that the motion on amendment A1 lost]

[Several members rose calling for a division. The division bell was rung at 1:50 a.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Agnihotri	Elsalhy	Miller, B.
Blakeman	MacDonald	Miller, R.

Chase	Martin	Pastoor
Eggen	Mason	Tougas
Against the motion:		
Abbott	Dunford	Lougheed
Ady	Goudreau	Lund
Brown	Groeneveld	Melchin
Calahasen	Hancock	Oberle
Cao	Hinman	Ouellette
Cardinal	Jablonski	Renner
Cenaiko	Johnson	Rodney
Coutts	Johnston	Snelgrove
DeLong	Liepert	Stevens
Ducharme	Lindsay	Zwozdesky
Totals:	For – 12	Against – 30

[Motion on amendment A1 lost]

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

Mr. Chase: Thank you very much. I know that individuals who are experiencing sleepless nights and have been listening in to our debate tonight on A1 and amendments are rather anxious to hear where the story ended, so I will continue with the need for stability.

I left off with Roshika Khanna, who is the program co-ordinator for the Calgary Scope Society. She had indicated the difficulties that people with disabilities had in finding places. She noted:

It has been a very discouraging experience speaking with a lot of landlords who fail to see that our clients are respected members of our society, who deserve a fair chance to all opportunities. I am hoping that this letter may help increase some awareness in the challenges that our agency and other agencies like ours face. With your position and authority it is evident that our voices may be heard and changes might occur.

I will assure Ms Khanna that her voice was heard tonight.

We are in desperate need of a change in attitudes and perspectives to provide equal opportunities.

Another constituent, by the name of Donna Logan, wrote to me.

As a Calgarian, I am truly concerned about the increase in the number of people experiencing homelessness in our city. According to the 2006 Count of Persons Experiencing Homelessness conducted by the City of Calgary on May 10th, 2006 . . .

And, of course, that's the homeless count that I was able to take part in along with the members for Calgary-Currie and Calgary-Mountain View.

. . . there are currently 3,646 people living on our streets and in shelters. This is an increase of 32 per cent in two years. This number does not include those people that are staying with friends and family,

as I pointed out during second reading of Bill 34.

I urge the Albertan Government to take a leadership role in addressing homelessness and poverty in Alberta. Specifically, I urge the Alberta Government to review and address the following provincial policies to ensure that they support Albertans in not only moving out of poverty and homelessness but that also help to prevent people from entering these situations in the first place.

And, of course, that's what Bill 34 fails to address. It fails to keep people from ending in a homeless circumstance because the subsidies are very specific and they're very limited. While they keep a roof over the individual's head, they very much line the pockets of the landlords at taxpayers' expense.

As Mrs. Logan said, these are the areas that she would like to see improvements in:

- Policies around Child Care and available Child Care Subsidies

- Availability, accessibility, and affordability of housing
- The Child Welfare Act
- Social Assistance and Assured Income for the Severely Handicapped (AISH)
- Minimum Wage.

She concludes:

Having a home is a right in Canada, not a privilege. I urge the Alberta Government, at all levels, to ensure all Albertans have access to this right.

My next communication is from Rob Lerouge, and his concerns go right back to early March. He has a number of wonderful ideas, only a few of which I'll share with you.

To address the housing crisis Alberta is in the midst of, there are many external/exogenous issues that need to be tackled concurrently. The housing crisis does not exist in isolation but is related to the lack of social infrastructure and program cuts made during the last 10 years that have not been replenished. This issue cannot be addressed in isolation but in conjunction with many programs that are under severe pressure from the exploding population.

Why are huge fiscal surpluses of \$7B being reported when there is absolutely no spending on building subsidized housing in the budget?

Keep in mind that he wrote this letter in March. Bill 34 does indicate that there will be \$281 million available, and eventually houses will be built.

Regardless of the surplus amount, I am very disappointed this government has not budgeted any funding for the construction of new housing for those unable to afford. Leaving the supply of housing to market forces does not work when many jobs remaining open do not pay a living wage. Unless if low or free cost housing is provided for those willing to take low wage jobs, there will still be a labour shortage. Much of the problem is rooted in this province's right-wing attitude of supporting the rich with tax breaks and bashing the poor arbitrarily for being lazy (which is totally false). Yet supporting the have-not population will have greater benefits by easing the burden off of health care, schools, and social services. Face it, if money is not spent on providing housing for those lacking, it will have to be spent on health care, justice, policing, social services, even at school when these people incur problems attributed to being homeless. The homeless are more likely to become sick, be less healthy than average, be addicted, lack skills and education (perhaps from not being able to afford schooling or college), and suffer irreversible effects of unemployment. In fact, someone who has been homeless long term often lacks social and presentation skills and the longer they lack these the harder it will be to educate them up to standard. Being socially isolated has very damaging effects that are irreversible in the long term if not corrected.

Also, this province is too caught up in decision making that is rules/laws based as well as too financially based. It has become cliché that "we cannot go overbudget or cannot borrow" for projects. Homelessness cannot wait for the sun to shine and does not disappear during booms nor busts. Too many so-called task forces during the last ten years have failed to address the problem, especially since they are behind closed doors. It is time to walk the talk and practice what you preach. Enough studies, let's take action, such as following your own task force recommendations in their entirety rather than piecemeal.

Even if a project goes 100% overbudget, it is not a failure compared to the many successes it potentially has.

2:10

Witness the southeast hospital in Calgary that this provincial government has delayed.

This province cannot measure success solely by budgetary means. It needs to measure success by qualitative measures such as skill generation, crime decreases, health ratings among low-income citizens, education credentials acquired, etc.

Yet the province will need to spend a lot more on social programs for the have-nots and quit giving big business and the rich huge tax breaks on the backs of the middle class. Since no rent controls exist, why are the rich developers not building more rental units given the demand.

And this is what Bill 34 fails to address. If they haven't built them in the past when there were no restrictions, what makes you think that they will continue to do so when they can gouge individuals in the current existing facilities without having any requirement to build new? The gouging continues with the government's blessing.

How high do rents need to increase before landlords will build again? If market forces should dictate the supply of rental housing, why does the province not step up to providing sufficient rent subsidies to low-income people. Alberta has a tendency to arbitrarily choose which goods and services should be unregulated and yet related programs (for subsidized housing) are restricted in terms of the number of recipients or the funding amounts which fail to match the free-market rental rates.

Mr. Lerouge obviously had great passion. This is his conclusion.

In closing, solving the housing crisis will take more than building new homes. Many social and infrastructure programs need a lot of catch-up funding and reinstated regular funding. The cliché of meeting the bottom line needs to be reformed and the measuring of success to be done differently. What this province needs is balance to prevent extremes from emerging and enact laws that facilitate moderation and balance to keep all facets of this province in check.

The government has an obligation to run this province to be fair to everyone and to help the underprivileged.

This is an individual who has a home, who is not experiencing a rent increase but has a social conscience, and he is calling upon the government to try and find one. That, unfortunately, is something that this government lacks: any kind of recognition of the needs of the wider mass of Albertans, singling in on only the needs of the landlords.

This back-and-forth, ping-pong we were being accused of earlier: well, when there were low rental rates, why weren't we helping the landlords out at that time? Now that rent is rising through the roof and there are so very few accommodations, is the answer just to let it happen? Does the government not have any stewardship role? Does the government not provide the balance that is necessary to help individuals, especially the most vulnerable?

It absolutely amazes me that individuals such as the MLA for Calgary-Fort, whose constituency brought forward the idea of rent controls for discussion at last week's Conservative convention, would stand up in this House, going against what his constituents brought forward. I give him credit for at least bringing the concerns of his constituents to the convention, but when it comes to standing up for them here in this House, it doesn't happen.

I have somewhat greater expectations for more recently elected members to this House, who have not been caught up in the dogma that has been a part of the last, basically, 36 years of Conservative rule. I suppose that I'm being ungenerous in going back 36 years because during the times of Peter Lougheed and during the times of Mr. Getty there was a recognition that in times of crisis some government intervention was necessary. They, I suppose, to a degree were the progressive part of Progressive Conservatives.

We have a number of newly elected individuals that came along in 2004 with myself who should not be so weighted down by past ideology. It concerns me that they for whatever reason, fear of retribution from their colleagues or potential sanctions from the whip, refuse to stand up on behalf of their constituents. I find it hard to believe that the other MLAs in Calgary have not heard from their constituents about concerns over rent control. I would suggest that when they return to their Calgary offices tomorrow night, they will probably find that they have received a tremendous amount of

correspondence on the subject of rent controls, and I'm hoping that they'll table those correspondences in this House and that they will stand up for their constituents, especially those who are suffering the no-limit, once-a-year rent increases. I would be very pleased to hear from these members from Calgary, whom I've challenged to say that they haven't heard these concerns from their constituents, that in fact no e-mails, no letters, no phone calls have been received. I challenge them to stand up and refute my concerns.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Martin: Well, thank you, Mr. Chairman. [some applause] Thank you. At least it's a start. We'll work on it, and maybe we'll get it right.

Mr. Chairman, I want to come back to talking about the need for rent guidelines and the fact that we don't have them here. The government is suggesting that it's the supply side and we have to get more housing on the markets. Nobody disagrees with that. What we're talking about is in the short run, till that happens. Obviously, they rejected a perfectly logical amendment a while ago, CPI plus 2 per cent. They say that this would somehow stifle development.

Let's look at the supply side. Part of the task force's job, Mr. Chairman, was to take a look at all aspects of it, including, if you like, how we get more rental units on the market. If they say that they can't put in rent guidelines and they've got to work on the supply side, well, let's just take a look at some of the measures that they turned down to deal with the supply side. As mentioned many times, the task force tried to present this as a package, you know, that the guidelines were there on a temporary basis for two years, CPI plus 2. We've had that discussion. We also said that there had to be the other side of it to try to bring more units on. The fact is that we don't have rental units being built. Well, according to the government this should be happening now because we don't have rent controls or guidelines or whatever you want to call it, rent stability.

Well, Mr. Chairman, I look at some of the recommendations that were made. First of all, just to do with the supply side: the new Alberta home ownership assistance program. In the task force we saw the other end of it, that if we get more young people, especially first-time home buyers, buying houses, that would open up rental units. It was done in the past, and it worked very well. But government does not accept this recommendation. The creation of more rental units is a better way to address housing issues. Well, they're not doing it. It's not happening. So they reject that, and they say that creating more rental units is a better way to do it. It's not happening. So there is one recommendation they didn't look at.

2:20

The other, going back, is recommendation 3: move to block funding in allocating capital dollars. The government accepts that block funding will be made available to high-growth, high-need municipalities through the municipal sustainability housing fund, but the government does not accept the recommendation to index funding based on inflationary pressures. Well, in an overheated economy inflation is a reality. How are you going to build anything – the hospital in south Calgary is a good example of that – if you don't cover inflation? That just seems to be self-evident. How are you going to increase the supply if you're not prepared to do that, Mr. Chairman?

Moving along, here's another one: develop flexible incentives to stimulate supply-side responses. Well, I would have thought that

they would have loved that, that even that term they might have accepted. But, no, the government does not accept this recommendation. The Municipal Government Act allows municipalities to use innovative financing methods to address redevelopment. Well, municipalities don't have the money to do it. That's the whole point. So there's the supply side that they could have accepted to get more units on. They refused it, Mr. Chairman.

Improve efficiencies and reduce duplication among government and non-profits. Well, they're going to refer that. That was a tough one. They referred this recommendation. Well, I would have thought that that would be self-evident, Mr. Chairman.

Improve government responsiveness to specific timelines: the government does not accept the proposed timelines and agrees to improved government responsiveness. So they're not even going to worry about timelines, Mr. Chairman. They're not even going to worry about that. So how is that going to help put on more housing.

Now, here's a key point, though, that we're talking about. Under better integration of planning and policy we said: "Adopt a consistent definition of 'affordable housing' for policy and program development." Well, the government accepts that a consistent definition of affordable housing is required but does not accept the task force definition. Well, pretty well all across North America the common definition, Mr. Chairman, is: no more than 30 per cent of your income should go towards accommodation. Now, the government says that they reject that, but they don't say what else. So we're not going to accept what everybody else in North America talks about. We're going to set some figure. But they can't even do it. Well, what is it then? Is it 40 per cent? Is it 50 per cent? Is it 60 per cent? Okay. I know why they don't want to do it: because it's embarrassing because when they start to look at the rent subsidy program, with the amount of people spending more than 30 per cent of their income, we're looking at a pile of cash. There's no doubt about that. But that's the reality of the economy that we're in right now, Mr. Chairman.

Another one: develop an inventory of underutilized or unused public infrastructure for affordable housing opportunities. Well, you know, there's a way. Right? There's a bunch of underutilized and unused public infrastructure sitting around the province. I would have thought that that would have been an easy one. But no. Listen to this. The government does not accept this recommendation as there are existing mechanisms in place to identify and disperse land to eligible stakeholders. Well, what are they doing? Where is it, Mr. Chairman? We had examples all over this province where this was not happening. So, you know, that would be another way to get rental units on quickly, but they rejected that particular recommendation.

Now, the other one is inclusionary zoning under the ongoing supply and improved access to affordable housing. One that has to come that everybody's talking about and that they're talking about, and I know that in both Edmonton and Calgary they are for sure, is for the municipalities: release available surplus land for affordable housing, five- to ten-year regional housing planning, proactively acquire land, and get on with it. That was the recommendation.

Well, the government's tough-minded approach to show that they were listening was: we will refer these recommendations to the Minister's Council on Municipal Sustainability. Well, time is of the essence, Mr. Chairman. Time is of the essence. We're trying to say that we need to bring out a lot of housing quickly – right? – to get the market back in order. That seems to be the government thing, but now they're going to refer this recommendation to a bureaucracy.

So all the things that they talk about in the task force, when we tried to look at the other end, Mr. Chairman, they just didn't bother

doing the right thing. So we don't have guidelines, yet we have no urgency to bring on more rental units. How can things not get worse than they are right now? They will. If you really believe that it's only the free market and that you can't interfere with it, then surely there's an obligation to get on with building the units, to build that up.

So what is the choice for people, Mr. Chairman? What is the choice? Even if we did get on with some of these things to bring the rental units on, it's going to take at least a couple or three or four years. But by the time they refer it to all the bureaucracies, it would probably take 15 years before they got on with it.

So in the short run what do the people do as the rents skyrocket? No big urgency to get more rental units out, not enough money, inflation going rampant. So what do we do for the vulnerable that we've talked about and, as we say, for the middle income? Now, Mr. Chairman, as I say, at the very minimum, then, if you're going to dither around and not build the units, you have to provide some protection. I said it before, and I'll say it again: this is not a real market. In market economies there should be some competition. There isn't competition with this. You can set your own standards, and too bad; let the devil have the hind leg. That's what this is all about.

So, Mr. Chairman, it boggles me that they talk about bringing on units, they talk about no need for rent guidelines at this particular time, yet nothing's going to happen in the short run.

I go back, Mr. Chairman, to their own documents again, and I just want to repeat the one from Alberta Employment, Immigration and Industry talking about the Alberta advantage. Well, this is very good reading. They say on housing affordability: "Since the start of 2005, housing affordability across the province has been eroding at an aggressive pace." Now, with all the things that they've rejected here, how can it get better? Surely, even this ideological hidebound government should see that we need something temporarily in terms of what's happening with the housing market.

Always willing to help, Mr. Chairman, I'd like to bring forward another amendment. You know, frankly, with Bill 34 the once a year makes it even worse because people get gouged faster than they were before. So I'd like to bring in an amendment. You have it there at the front, Mr. Chairman; you have copies of it. I'll read it. It's under the name of the leader of the NDP, Brian Mason.

The Deputy Chair: Hon. member, we just want to make sure that it's the right amendment that we're dealing with.

Mr. Martin: I'll read it.

The Deputy Chair: Oh. Okay.

Mr. Martin: It says: Mr. Mason to move that Bill 34, Tenancies Statutes Amendment Act, 2007, be amended . . .

Some Hon. Members: It's the wrong one.

Mr. Martin: No, it isn't. It's the only one we have here. [interjections] Let me finish. That Bill 34, the Tenancies Statutes Amendment Act, 2007, be amended in section 1(4)(b) by adding the following after the proposed subsection (8):

(9) A landlord shall not increase the rent payable under a residential tenancy agreement by an amount greater than the percentage increase in the Alberta Consumer Price Index published by Statistics Canada for the previous calendar year plus 2%.

2:30

Now, we're giving the government a change here. Maybe, Mr.

Chairman, they were worried that two years was not the right amount. They might've wanted five years. Maybe it was the two years that bothered them. But even at this stage we'd be willing to negotiate one year. Anything would be better. Maybe they were saying, "Well, we were being too timid," and they actually wanted it for five years or 15 years like in Ontario. We'll allow the government to put their own number on it and figure out the date that they would like to bring in CPI plus 2.

I would hope that we could have a good debate on this particular bill. Thank you, Mr. Chairman.

The Deputy Chair: Hon. members, we shall refer to this amendment as amendment A2. While the amendment appears very similar to the one that we just dealt with, the hon. Member for Edmonton-Beverly-Clareview is correct that the previous one had specific timelines; this one does not.

Does anybody wish to participate in the debate on amendment A2? The hon. Member for Edmonton-Calder.

Mr. Eggen: Thanks, Mr. Chair. I appreciate the opportunity to speak on amendment A2, which is the one that my colleague from Edmonton-Beverly-Clareview just brought forward in the name of our leader and the Member for Edmonton-Highlands-Norwood. Certainly, this gives us an opportunity to speak once again on the importance of setting up a reasonable range of increase that can take place in Alberta in regard to rental increases. I guess it has the distinction as well of providing the flexibility to either work within as narrow a parameter as to extend. So the language of this amendment is differentiated from the last one in that it does give us a little more flexibility in being able to use this as a tool, longer or shorter, depending on the circumstances that we're confronted with in the rental market here in the province of Alberta.

There's a volatile situation out there at this point with the rental market, and I guess the New Democratic caucus recognizes the importance of alleviating the concerns of the landlords in that we're not putting in rent controls over a necessarily longer period of time, but it's something that's subject to dealing with the circumstances as they present themselves. Certainly, in the immediate past here in Alberta and across other jurisdictions rent controls and guidelines have been brought in and then just as reasonably been brought out.

I had the opportunity to speak to the former mayor of Edmonton, Mr. Terry Cavanagh, and he had the distinction of presiding over the phasing out of rent controls as they were placed here in the province of Alberta probably some 30 years ago. He said that the benefit of bringing in a reasonable amount of regulation and then phasing it out again in a reasonable and timely fashion actually helped to build more rental accommodation across the city of Edmonton and across the province of Alberta but also fostered lots of goodwill between the various developers and apartment owners and the population, which was experiencing a parallel although somehow smaller economic and population boom than we are now experiencing here in 2007. The point is that working with regulations in a timely fashion, in fact, does create the stability that we need to meet the needs of renters and to meet the needs of landlords as well.

One difference that I certainly recognize from the last economic boom in the mid-1970s into the early '80s here in the province is that there was certainly more accommodation to build rental accommodation than there is here now with the second boom, 30-some years later. So I think it's important for us to recognize the differences that occurred from that period of time to now and try to learn from them somehow. Certainly, one of the differences was that there was a lot more sense of optimism on the part of people who would build rental accommodation and lots more entrepreneurs, I think, entering

into building rental accommodation on a smaller scale. You got a lot more people just building a walk-up here and there and some encouragement from the provincial government to do so.

You know, it makes a huge difference that from the provincial side 30 years ago there was a sense that people were going to be looked after both on the rental side and on the landlord side so that people felt as though they could make that financial risk to actually build those accommodations. That's what we're asking for here now in 2007, to put in place an arrangement that is stable using the structure of Bill 34 augmented by amendment A2. Really, I think we're creating a nice starting point for renters to feel some sense of stability but landlords and entrepreneurs to have some sense of stability as well, to know what to expect and to build around those things.

You know, if you are making a return on your investment that is ranging between 7 and, say, 10 or 12 per cent, that's not a bad investment. You know that the economy in the province of Alberta, with a little bit more stewardship and a little more care on the part of the provincial government, is in fact going to continue to provide a growing population in any given city you decide to build rental accommodations in, coupled with a nice stable number in real terms of between 7 and 10 per cent, not to mention the increase in value of that property as a piece of equity in the first place, which is bound to continue to increase considering the development of industrial upgraders here in the city of Edmonton. Those two together, by any stretch of the imagination, make a pretty sound investment in regard to building new rental accommodation or any accommodation here in general. That's what we're trying to do here. The sense of stability certainly works well on the landlord side as well, as I had mentioned previously, with having stable tenants and also providing accommodation for not just families and working people but for students as well.

Let's not forget that this whole housing crisis is only going to be inflamed when we have a turnover of the new school year in all of the cities that have major postsecondary educational institutions across the province, when suddenly there's not only a shortage but the affordability question for postsecondary students will loom over the horizon and rear its ugly head and just seek to compound the crisis that we're now facing.

So we're putting amendment A2 into place with the flexibility of not having a fixed time on it. It could be shorter or it could be longer. We're not presuming anything. It gives us that flexibility, and quite frankly I think that when Albertans wake up tomorrow morning, which is coming sooner than we think, and they see that we have in fact combined Bill 34 with amendment A2, we'll have created a circumstance that people can not only just live with but also will create some stability for a long-term future for rental accommodation in the province of Alberta.

2:40

You know, there's been a lot of speculation about doing something in regard to this or not doing something. I think we all have to try to buck up a little bit here and not just entrench ourselves in the positions that we've created over the last hours and days but, rather, look for some degree of flexibility. Certainly, on our part we are I think demonstrating a great deal of flexibility here with amendment A2 because it can function for as short or as long as the government might choose to do. So it's not as though we're putting in some great five-year plan here that will lock us into rent guidelines for a long period of time. Things can turn around on a dime and turn around quickly, and away we go. We can make adjustments to this amendment and feel comfortable in doing so.

You know, I was so happy when we did have this Affordable

Housing Task Force report that finally came out, really addressing this situation in a very practical way, looking at the population and how it's growing so quickly, looking at some of the crisis stories that came to the task force's attention as they travelled around Alberta. I was very, very encouraged as well to see the machinations of the debate that the task force had into building their plan and coming to a majority situation – right? – coming to a majority decision to in fact support this idea of CPI plus 2 per cent. I know that that was an educational experience for the members that were involved in the task force because I know that lots of people had preconceptions about the negative potential ramifications of having rent guidelines in place, but then during the course of the 45 days they came to realize that in fact this was a positive thing to bring forward, supporting it as part of a package.

That's the key message that I would like to leave this fine Assembly with, that Bill 34 must work in consort with an amendment like A2 here; otherwise, the two of them are dysfunctional on their own. If you put them together, then it becomes a harmonious one-two sort of legislative punch that will serve renters, add stability and some reassurance to landlords and to rental companies, and ultimately stabilize the population and give people a place to live and some hope for the future.

[Mr. Lougheed in the chair]

With that, Mr. Chair, I offer my encouragement to all members to in fact support amendment A2. Thank you very much.

The Acting Chair: The hon. Member for Rocky Mountain House.

Mr. Lund: Thank you, Mr. Chair. I wasn't going to speak on this, but after listening to the rhetoric, I felt compelled to speak to this one. This one is even actually worse than the one that we've already defeated. Let me point out some of the flaws in it. First of all, I don't know what the 2 per cent is. It's 2 per cent of what? If it's 2 per cent of the Alberta consumer price index as published by Statistics Canada, then of course that's a minuscule amount and really doesn't amount to anything. Let me explain why I believe we're going in the wrong direction with these if we would pass this kind of thing. It's no question that as soon as government interferes with the private sector this way, you just completely blow out any kind of stability or any confidence that the government is not going to continue to meddle.

Now, let's look at this. Let's look at this. With the way that the province has got pockets that are hot and pockets that are not suffering the same and not getting the same kind of increases in the past, if you were to put in something like this that applies across the province – look at what's happening. Just take, for example, the taxation. In the city of Edmonton I understand that our taxes are going to be going up about 5 per cent this year. The mayor apparently today said something about next year being 7, 8, 10 per cent. Well, just compare that with the consumer price index plus the 2 per cent of whatever that is 2 per cent of, and add those together.

But there's another big factor in here that you've got to also consider. We've gone to a system on the taxation side of assessing on market value. Well, when you get into the hot areas, the attrition on the property is increasing your actual tax bill considerably more than the percentage increase in the mill rate. So I can see cases where a landlord with a rental accommodation, that we're wanting more of – and that's where our problem is; we don't have enough of it – in fact could be losing money.

Just think about it. If you put this in now and there has been one of the landlords that hasn't been gouging, if we determine what that

is, when they've made the raise, they can't do it again this year. If they made a moderate raise that is reasonable, then we plant this on top of it and stop him next time from recouping what probably is his added cost, why on earth would anybody invest in more housing? Why would they do it? Go build a condominium, and you'll make a lot more money on it.

This nonsense about affordable housing: I wish somebody could explain to me what that means. I have never been able to understand it because affordable housing in Rocky is an entirely different thing than an affordable house in Edmonton. Or move up to Fort McMurray. Compare the numbers. What's affordable housing in any one of those places? We keep on talking, but I don't know what that means.

Mr. Chairman, I think that if we want to have an even worse problem a year from now, just adopt this kind of nonsense.

The Acting Chair: Thank you, hon. member.

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much. I rise in support of amendment A2. It's substantially similar to the one that was brought forward by my colleague, and I'm willing to support it based on that.

I was interested to hear once again the argument from the government that somehow they're creating stability when clearly what we have right now is a state of chaos, and that was entirely created by the government's choices in how this was not managed. I'm always interested in where they choose to interfere in the marketplace and where they choose to not interfere in the marketplace.

Mr. MacDonald: Electricity. Insurance.

Ms Blakeman: Exactly. We've had them interfere all over the place: muddy little government handprints in electricity deregulation and in regulating that marketplace, not to the benefit of the citizens of Alberta, I can tell you, because, boy, are we paying substantially higher electricity rates than we were 10 years ago. Yikes. They happily got muddy little paw prints all over automobile insurance. There are the applications through to the EUB. What are some of the other marketplaces that they get into here and interfere with all the time? Those are a couple of them.

Mr. Elsalhy: Travel clubs.

Ms Blakeman: Travel clubs.

Mr. MacDonald: Road construction with their P3s.

Ms Blakeman: Oh, the P3s. Yeah, that's another way that they get into interfering with all kinds of things. Yet when we really need them to help to modify a market place on a temporary basis – now, you've never heard any of us say that these should be brought in and left in forever. That's never come out of the Liberal caucus. We've always talked about temporary, and we've even put timelines, dates on what we were proposing. You know, the only ones that just have this run forever and ever in this state of chaos seems to be the government.

2:50

The other thing that I find really interesting about what the government has been talking about with this . . . [interjection] I can see that the Minister of Health and Wellness is really eager to get in on this discussion. I look forward to his contribution to the debate.

I find it really interesting that the government doesn't seem to understand the difference between affordable housing – in other words, ownership of a home or of a condominium in some way – and rental housing. They seem to flip back and forth between the two as though it was the same thing, and it's not. It clearly is not. Trying to create a rental marketplace or to help that come into existence and find some stability is entirely different than telling us that you're creating housing that people can purchase. Some renters are going to be able to move into a purchase market, and some never will. You will always need some kind of rental accommodation, and they're not the same thing.

While I realize that government members, you know, with all the extra committees they're on and all the extra pay they make – I understand that most of those folks or all of you can afford to buy condominiums. Actually, you'll probably make a pretty fair deal. By the time you leave public office and sell your condo, you've made a good amount of money here, but most of the other people that we're talking to these days are in a rental market, and they're never going to make it into a home ownership or a condo market.

I find it really interesting that the government doesn't seem to distinguish between those two marketplaces, and it's important because the people that we've had coming into these galleries, that we've been introducing – we've been asking questions on behalf of them – are in a rental marketplace, and that's where the problem is right now.

Yes, we also have a problem with enough units everywhere, and I've talked about transitional housing units. We've talked about emergency accommodation units. Yeah, there are problems in those housing markets as well. But there is a difference between how many rental units are going to be available and how many ownership units are going to be available.

You know, in my constituency of Edmonton-Centre – I've told this House – I started to get letters about significant increases in rental costs more than a year ago, and there has been not one new rental unit that has been built in Edmonton-Centre over the last year. Yet according to what the Conservatives keep saying, that was an optimum marketplace for that to be happening. Because the supply was very low, we should have had lots of people running to try and build new rental accommodation. It never happened, not one unit.

Mr. Hancock: Look at all the rental accommodation that was made available when renters moved into their new houses because of the low mortgage rates.

Ms Blakeman: A good strategy, not connected to reality in Alberta.

We keep being told: oh, that rental marketplace will work if you just stay out of it, you know; they'll build more units. Well, they didn't. That situation has been in place in Edmonton-Centre for more than a year, and nothing has been built.

When I look at who, for the most part, owns those rental units in there, they are not developers. They didn't build the accommodation that they own and manage now, and they probably will not ever build it. They are in a different business entirely. They just own these buildings. They buy them already built. Most of the housing stock in my constituency is pre-1970. The guys that are making the money off those rental increases right now have never built an apartment building. Never. They just bought it as it was, and they bought it, in all likelihood, in the last 10 or 15 years, and they're just making money on it. So don't tell me that there are developers out there who would, but for interference, be building rental accommodation. It's simply not true, and it has not played out in my constituency at all, and I've got a lot of apartments.

Out of all the people that I have now, there are 500 single-family

units left in my constituency. Five hundred. Everybody else lives in high-rise or apartment rental accommodation or condominiums or in a townhouse situation. That's the kind of marketplace that we have for housing in Edmonton-Centre. So all of this mythology around how this will work has simply not played out in Edmonton-Centre.

You may be able to show me examples – and I invite you to show me examples – of other places in Edmonton where there have been new rental units built in response to this incredible lack of supply, but what we're really seeing play out is what we see in the annual report from Boardwalk, which is saying: "This is great. Very low supply. We're going to make money hand over fist. Let's keep going. We won't build any new units. We'll just keep, you know, raising the rent on what we've got because it's a very limited supply, and it's a supply and demand market. We're going to make more money." So what I keep hearing from the Conservatives about how this is all supposed to work is simply not happening.

I'm more than happy to support the amendment that's been brought forward as amendment A2 because what we need to see here has got to go forward with a two-pronged approach to this. It's got to be about a notification period, that it can't be increased more than once in a 12-month period. Frankly, this has got to have an end date on it, and with that must go a rental cap because otherwise you end up with exactly what we've got right now, which is chaos and instability and no end in sight for when there would be some kind of stability come back into this.

So that's what I would like to see. That's certainly what my constituents want and need to see. I think it's irresponsible of this government to keep talking about a nonexistent marketplace. It's completely dysfunctional. What you've got are extraordinary circumstances. The public looks to the government to take action in cases of extraordinary circumstances. What are we getting from this government? "Oh, well, gee. No idea. Um, um. Let's have a task force and then not pay attention to what they say and put one thing in place that really creates chaos in the system" because they won't put the second thing in place that goes along with it. You know, I was always skeptical about Conservative money management, marketplace philosophy, but, boy, I've seen nothing but dumb ideas play out over the last couple of years flowing from that stuff.

I recommend that we support this amendment. Thank you.

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

Mr. Oberle: Thank you, Mr. Chairman. You know, I'm a forester, and I spent a lot of my life counting trees, so maybe I'm just simple or something. I don't know, but at some level this seems like you can reduce it to a fairly simple argument. We have a short-term problem, and we have a long-term problem. I think that, very obviously, everybody would agree that the long-term problem is that somehow we have to get more housing units built or chase some people away. Nobody has mentioned that as a possible solution, so probably we need to build some housing.

I think we also all agree that we have a short-term situation here, which is the reason we're standing here tonight. It's the reason that the government initiated a task force that the Premier mandated in his letter to the Minister of Municipal Affairs and Housing. We have to do something. We have a task force, our government has responded to that task force, and here we are tonight standing and debating this.

Keeping in mind that we have a long-term problem and we have to bring some housing on the market, does anybody in this House think that it would be a good idea in solving the short-term problem to absolutely kill the construction of new units? I kind of find it hard

to believe that anybody would say that that would be a good solution. Surely, you know, if you were sitting here with some money to invest and the government tonight were to send you a signal that – guess what? – your rent is controlled and you're not going to be able to increase it by more than the inflation index and confiscate your property, is anybody over there willing to invest their money in an apartment complex? I don't think so. While we're trying to solve this short-term problem, we have to figure out how we're going to get the long-term problem moving, which is incenting people to build apartments, not disincenting them.

Ms Pastoor: Just what you're waiting for.

Mr. Oberle: The point of that comment is lost on me entirely, Mr. Chairman. I'm not sure what is meant by that comment.

We've got to work in parallel here. We have to solve a short-term situation while solving a long-term situation. The long-term situation, again, is to put housing on the market.

3:00

Now, the hon. Member for Edmonton-Centre has pointed out that nobody is building apartments in her constituency. I would point out that that's not true across Alberta. Peace River just brought on a new 70-unit apartment building – that translated to the population of Edmonton would translate into thousands of apartments – quite a big building for a town the size of Peace River. There are other communities across Alberta that are building apartments. I don't know Edmonton-Centre, and I'll allow that the member is correct in that, but again I'll point out that it's not across Alberta.

But if nobody is building apartment units in Edmonton-Centre, then maybe somebody should ask themselves why that is, and I'm just betting it's not because they don't have rent controls. I'm betting that if we put rent controls on, nobody's going to wake up tomorrow and say: darn it all, I'm going to build an apartment. It's not going to happen. It's a disincentive. It's most certainly not an incentive to build apartments. We need to figure out what it's going to take to bring units into the market in the long term. In the short term, in the crisis that we have, I think the Minister of Employment, Immigration and Industry, the Minister of Municipal Affairs and Housing, the minister of seniors have outlined over a hundred million dollars of aid available to people that find themselves in crisis. That's what we have to be focusing on right here. Let's not get the long term wrong by focusing on the short term. That's cutting off your nose to spite your face.

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

The Acting Chair: The hon. Member for Edmonton-Ellerslie.

Mr. Agnihotri: Thank you, Mr. Chairman. I'm pleased to rise to speak against amendment A2 as moved by the leader of the third party, the Member for Edmonton-Highlands-Norwood, that Bill 34, Tenancies Statutes Amendment Act, 2007, be amended in section 1(4)(b) by adding the following after the proposed subsection (8):

(9) A landlord shall not increase the rent payable under a residential tenancy agreement by an amount greater than the percentage increase in the Alberta Consumer Price Index published by Statistics Canada for the previous calendar year plus 2%.

Mr. Chairman, as I said before, the Alberta Liberal Party believes in fairness, sustainability in the market, but I also said that we believe in temporary relief control, not a long-term solution. A long-term solution – I agree with the hon. member – is to build affordable homes. Some owners are no doubt gouging renters. It's not right, but we must have some temporary relief control, which is missing in this bill although it's important. We believe in temporary relief

control, but a time limit is missing in this amendment A2. The amendment may be helpful only to the tenants but not to the investors.

We want to keep investors in Alberta. That's why we support short-term relief programs, but the long-term solution is more affordable houses in Alberta. This is my point of view, but still, you know, the major flaw with Bill 34 is the failure to introduce any kind of rent regulation. There should be some sort of relief, but we don't want an amendment like this one without any particular time limit, which would discourage some investors in Alberta. As mentioned above, there's nothing in the bill to protect renters from massive rent increases while they wait for the market to stabilize, which could take two years to see the first evidence of new units.

What is needed and where this bill fails is to introduce renter protection measures in the short term. We cannot support a bill that has such a fundamental flaw. The evidence overwhelmingly is that Alberta renters, mostly in the cities, are being subjected to unreasonable rental increases due to a destabilized market. This is not a new problem. There have been many instances of rental increases that are simply rent gouging for over a year. The failure of the government is to not recognize that sometimes in rare instances the market does not work. In those instances temporary measures must be taken to protect citizens in the short term.

Bill 34 fails to provide a temporary rent regulation to protect Albertans; thus, it cannot be supported. The only way to support this bill is if they amend it to include, I again repeat, a temporary rent regulation, not the one mentioned in amendment A2. We will be introducing amendments to Bill 34 to accomplish just that.

The two options available are what the Alberta Liberal's policy advocated, a one-year, one-time temporary rent regulation that limits the rent increases within that period to a maximum of 10 per cent. The second option would be to implement the recommendation of the Affordable Housing Task Force that called for a two-year rent regulation that would keep rental rates within the guidelines of the CPI plus 2 per cent. The task force also recommended a mechanism to allow owners to apply for an increase over the annual guideline to recover actual costs.

The bill fails to provide protection for renters in the short term. This is critical to any plan to address the affordable housing crisis. Without this measure this bill fails Albertans. The entire substance of the bill is in the regulations. Once again the government is hiding behind regulations, making authority that allows the minister discretion to change these amendments at will. This does not provide stability for anyone if the rules can be changed behind closed doors at the discretion of the minister. If the government was confident in its amendments, it should have clearly put the substance of them embedded in the legislation. If changes were being contemplated at any time, a bill would have to be introduced in the House and opened for debate and scrutiny – this is what a government with nothing to hide does – something this government has failed to do here.

I again say that we support a temporary rent regulation only. If we amend that one, I'll be more happy and I will support that bill if we make the right amendment on that.

Thank you.

The Acting Chair: Thank you, hon. member.

Any members? We have the hon. Member for Edmonton-McClung.

Mr. Elsalhy: Thank you, Mr. Chairman. Again, my pleasure to rise this morning to participate in debate on this . . .

Mr. R. Miller: Actually, it's still last night officially.

Mr. Elsalhy: Officially it's still last night, but it is 10 after 3 in the morning of Thursday.

Mr. R. Miller: Except it's Wednesday.

3:10

Mr. Elsalhy: Yeah, except it's recorded in *Hansard* as Wednesday. Nevertheless, it's indeed a pleasure.

We have an amendment before us, amendment A2, Mr. Chairman, which, as is every member from the Alberta Liberal caucus, I am going to urge all members of this House to not support, and I'll tell you why. In amendment A1 we were asking for temporary intervention, a temporary measure to bring some degree of stability to the housing market, which, as we argued time and time again, is extremely inflated and is inexplicably scorching hot. The amendment before us from the NDP caucus is basically calling for a permanent or an indefinite rent increase cap. It basically calls for a cap that is here forever, here to stay. It's calculated by adding the Alberta consumer price index, the inflation figure from year to year, and then adding 2 per cent on top, very similar to what we recommended in amendment A1. The only difference, as I mentioned, is that this is indefinite. This is forever. We are totally opposed to having a permanent rent cap in this province, and this is something that the members of the Alberta Liberal caucus have been quite clear on in our own internal discussions and in our printed policy that we're sharing with Albertans.

Now, the reason why we are opposed is because we feel that temporary rent measures are fair to both landlords and tenants. When we bring in a permanent cap, then it's not fair to landlords and, to a degree, also not fair to those tenants because some of the arguments that we've heard in this House earlier, Mr. Chairman, will come true. So we're not in favour of a permanent cap on rental increases. We only advocated what the task force on housing advocated, and that is to bring in a short-term, temporary rent cap, not even a freeze. We're basically allowing rents to increase but only for a very short period of time, two years, Mr. Chairman, to allow the market to equilibrate and to settle.

So, in my opinion, amendment A2 is extreme. It should come as no surprise to you, Mr. Chairman, that the Alberta Liberal position is halfway between the extreme request from the NDP caucus to have the market permanently controlled, and then the other extreme is you have the PC caucus, where, actually, no control is advocated, and they want to leave the market to decide for itself. So we're basically advocating a position of balance, a position of sort of holding the middle ground and fairness to both landlords and tenants as indicated by my colleague from Edmonton-Ellerslie.

Now, I want to go back, Mr. Chairman, and use this opportunity to highlight other areas where this very government, the same government – they refer to themselves as the new government, but they're not – intervened or stepped in and regulated or came to the aid of certain sectors or industries in this province. They do it all the time, but they do it selectively. My argument is that tenants should be really looked at as one of those groups of people that receive support and assistance from this government.

I'm going to first of all talk about a little excerpt from *Hansard*. The former minister from Drumheller-Stettler said in *Hansard* on May 16, 2001, in estimates:

Our agricultural community is faced with some very serious difficulties related to input costs and world prices for products and the potential for weather problems, and that's a subject that we could probably spend the whole next hour just discussing. Hence, highlighted in this budget is assistance for the agricultural industry.

She goes on to say:

This budget contains programs to assist the industry with rising input costs and other items.

Then further down she says:

That's an increase of \$255.5 million when compared to the last year's budget. Of course, the largest budget increase appears in the farm income support allocation.

So this government didn't leave the market to decide for itself. They actually stepped in and supported our farmers, who were having difficulty making ends meet. The farmers were having a tough year, and the government had no problem and showed no hesitation stepping in to support them.

Another example, again from *Hansard*, March 6, 2002. The then minister of gaming, who is now the hon. Minister of Justice, was moving Bill 16, the Racing Corporation Amendment Act, 2002. I quote from *Hansard*. "Mr. Speaker, horse racing has a long and colourful history in Alberta. Bill 16 is intended to assist the industry and Alberta's agricultural community in their efforts to revitalize this proud tradition." So, again, they deemed it to be a worthy cause to warrant attention and support, and they stepped in and helped the horse racing industry.

Again, less than a year later, on April 9, 2003, Mr. Chairman, the same minister, the minister of gaming then, indicated in *Hansard*, "The line item relative to horse racing is a commitment that this government made to Horse Racing Alberta in 2001, so it's a fulfillment of an obligation that we have to that particular industry." He mentioned that the commitment that was made "was to assist the industry through racing entertainment centres that were connected with racetracks throughout the province." Again, they deemed it important to look favourably on an industry that was struggling, and they came to its aid. They stepped in and supported an industry. They didn't leave the market to decide for itself. If that industry was destined to fail, they didn't allow that to happen. They stepped in.

This government interferes all the time. They have no hesitancy. They have no trouble coming to the aid of certain select groups and also selectively leaving other groups behind.

Another example. Mr. Chairman, I can go on and on about examples of how this government at times finds it necessary to do this. On May 11, 2004, the deputy Premier back then was responding to a question from my hon. colleague from Edmonton-Highlands-Norwood. He was asking her about BSE compensation payments. I'm quoting from *Hansard* again.

What I can tell him, again, is that I am proud of the beef industry in this province, who designed the programs to assist the industry.

Now, this is important.

I will remind the hon. member that the people who designed all programs were some 65 individuals from small and large packers, from small and large feedlots, from the five organizations that represent the total beef industry in this province, including the retail industry and, at times, the people who convey these animals. Mr. Speaker, this was truly an industry/government partnership, and it was successful.

What they did here is that they brought in some people from the industry, and they said: "How can we be of service today? What would you guys like?" The people came up with BSE subsidy programs, which the government automatically rubber-stamped and said: "Fine. We're going to give it to you." Then a minister of the Crown stood up and defended that decision and said how wonderful it was and how successful it was, how great it was. I don't dispute that the farmers needed assistance because of the BSE crisis. But the fact is: why is this industry any more important than another sector of society, renters? Let's count how many people are captured under that definition of a tenant, or a renter, and let's see if they need assistance just like any of those industries and sectors.

Mr. Chairman, like I say, you have to be fair to both landlords and tenants. In my opinion and in my caucus's opinion to be fair is to bring in a temporary, short-term with a clear sunset clause, a clear expiry date, measure to allow the market to settle, to rest, to deflate if you want. If we're talking about inflation, the opposite would be a deflation, something to bring it back to normal. Having it for two years like we suggested or, in fact, as the NDP highlighted, our printed policy of 10 per cent for one year allows some of that supply that we're asking for to be brought in.

3:20

I have to again disagree with the government that temporary rent regulations dissuade or disintices people to build new units. You know what? We haven't had a lot of new units built over the last two decades. So that argument is not particularly strong, Mr. Chairman.

Now, another example which I found quite interesting, selectively making decisions and arbitrarily picking winners and losers. In 2002 the Tory caucus of the day selectively banned controlled hunting of elk on private property, but guess what? They did not control any hunting of bison, wild boar, or game birds, for example. Now, wasn't that a form of regulation? They chose elk, and they said that this was not allowed, but they left everything else. Wasn't that interference with private business? Wasn't that interference with property rights?

The government claimed that it listened to Albertans, who in a survey conducted that year, in 2002 – and the minister of agriculture is probably aware of that survey; he probably has it in his archive – overwhelmingly opposed so-called pen hunting. Okay, fine. What it shows here is that this government occasionally listens to the people of this province, and they occasionally poll them and survey them, and they ask them what they think.

Why not go to the public and ask them what they think on the issue of rent regulation? Why take that decision, you know, behind closed doors and not listen to, one, the people of this province and, two, the task force that was entrusted to solicit that kind of feedback. The task force was fair, and it was well structured. They had representation from all three parties in this House, and they also had experts from the community and the industry and economists and people like this. They heard the pros and the cons. They heard the for and the against.

Why not listen to the people? Why not listen to the experts? Why not listen to some of their own MLAs in their own caucus, who advocate some sort of rent regulation. Again, I find it quite puzzling that they have no difficulty indicating their support for some measure to bring back stability to the market. They say it, you know, in the media, for example, but in this House they remain quiet. As a matter of fact, when an amendment is being discussed, they just vote in unison and en masse. I find this quite puzzling, and I find it disturbing that what they say outside of the House is different from what they do and say inside the Chamber.

So this government interferes in the market, and I actually have about eight or nine other examples, which I'm going to hopefully bring to your attention for your interest, Mr. Chairman. I know that you're quite interested in this. You've been a member of this government for quite a while. There's a ton of stuff in *Hansard* here that we should be referring to from time to time because history has lessons for us to learn, and sometimes it has a tendency to repeat itself, but then sometimes these lessons are forgotten. We have to remind ourselves, the new members who came in 2004 and some of the old members, too, because sometimes their memory fails them, that this is what this government has always done.

A government is elected to protect people and to serve people, and

if the government says, "We're not interfering in this, we're not doing this, we have nothing to do, and there's no reason for us to butt in," then why do we need them? Why do we need this government? Let business run the province. They can all retire and get their severance packages and transitional allowances, and let's get it over with.

Mr. Chairman, I am going to take my seat. I voiced my unhappiness with this amendment, and I want to again emphasize that it's an issue of balance, holding that middle ground between an extreme like the NDP and an extreme like the PC government.

Thank you.

The Acting Chair: The hon. Member for Cardston-Taber-Warner.

Mr. Hinman: Thank you, Mr. Chairman. I feel compelled to get up and to speak against amendment A2. There have been some interesting new twists to the discussion that's going on, and I guess that I feel, like I say, obliged to get up and to counter some of those thoughts and to hopefully continue the deductive reasoning on why we should not be looking at putting a limit on the increase that's in line with the Alberta consumer price index plus 2 per cent with no time limit or anything else.

As has been said earlier, this is, perhaps, even a poorer amendment than the last one. What has amazed me in the discussion is the concern that there haven't been any new apartment buildings being built, but there are condos being built. Quite often it's talked about and been referred to that 7 to 10 per cent is a good return and a sound investment. The hon. Member for Edmonton-Beverly-Clareview has often referred to and told me about his years in the investment business, and he understands it well, so I would recommend that perhaps the third opposition party should go out and start raising the money so that they can get the investment. It's a sound investment, according to the hon. Member for Edmonton-Calder. Go out and get those 93,000-plus votes. I'm not sure about the Liberals, whether they've decided that this is a sound investment or another one. It's amazing to me that people talk about sound investments, yet they're unable to raise the money.

The hon. Member for – I want to say Peace River.

An Hon. Member: Peace River.

Mr. Hinman: Just Peace River, that's all? Such a nice, short, beautiful title. Some of us have three handles, and we've got to look after them.

He brought it down to a simple equation, which is what it's about, that we need more housing. How do we get it? You will never get it if you start putting caps on, start putting in interference.

I want to refer to a story that I remember reading during Hurricane Katrina. An entrepreneur loaded up his truck with generators and drove for, I think, 36 or 40 hours to get there to sell those. When the first ones arrived, there was a great need for it, and there were people with money. He was charging, I believe it was, sums like \$3,000 per generator. People came running up that couldn't afford it, started complaining and saying: "This is gouging. This is un-American. We shouldn't allow this." They actually confiscated the generators and took them out so that they couldn't even be used there. The other people had thought: "This is great. We're going to go there because of the shortage." Yes, when you first arrive in these crisis situations, things really are out of whack, and everybody agrees that it's out of whack. By stepping in and having the law use the heavy hand and say, "Well, this is too much," stopped the flow of generators, and then none arrived. Everybody says: well, where are they going to put it where it's legal for me to take something and sell?

The fact of the matter is that we have a huge influx of people wanting to come to this province. They're coming here because they think it is a better opportunity for them. I go back to the same argument that I brought up earlier on the other amendments. If this government wants to control, we've got to go against our own constitution, which is the freedom of mobility to come here, and say: don't come here. We could change all this. There is a price for freedom. The market does swing back and forth, but we don't want to make that pendulum swing further and magnify the crisis.

So once again I've got to speak against this amendment. Realize that it isn't in the interest of those that are suffering the most, which we need to think of the hardest. We want building to go forward.

The hon. Member for Edmonton-McClung went on for a long time about all of the past assistance that was given to industry, so I'd ask the hon. member: are we going to give assistance to the builders? There's a difference between industry and consumers, and we have to look at that. I don't agree with the assistance. I believe that the market squeeze is going to continue to push building. We've been building at an unprecedented rate. You can read in every city that the building permits are up; they're up; they're up. The building is going on. There's a problem with a shortage of land and the zoning and those types of things that should be expedited and moved forward quicker, but to put a simple cap on the increase on the rent payable will not solve the problem. Therefore, I need to speak against amendment A2.

Thank you, Mr. Chairman.

3:30

The Acting Chair: Well, thank you, hon. member.

We now have the hon. leader of the ND opposition, the Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thanks very much, Mr. Chairman. I'd like to speak in favour of amendment A2, which will put in place restrictions on the amount of rent increase a landlord can implement. It can be no greater than the percentage increase in the Alberta consumer price index published by Stats Canada for the previous calendar year plus 2 per cent.

I want to begin by addressing the comments of the Member for Edmonton-McClung, to which I took great exception. The Alberta New Democrats have been clear from the outset that this particular approach would be one that is of a temporary nature, and the Liberals know that. In fact, I want to indicate that in the last Liberal amendment, which we supported, it was pretty clear that it mirrored the recommendations of the Affordable Housing Task Force and also the policy of our party and caucus, and that included the time limitation.

It also, Mr. Chairman, had other aspects that were not contained immediately within the wording of that particular amendment. For example, we have also called, as has the task force, for a mechanism to allow landlords that have extraordinary expenses to be able to apply for an increase beyond the 2 per cent above the CPI. That was not included in the Liberal amendment. It was not included, but they stated that in their debate.

Similarly, we have always intended that the rent caps should be of a temporary nature. The government has indicated that it will be a minimum of two years before some of the housing that they have planned will come onto the market, but it may well be more than that. So for the hon. Member for Edmonton-McClung to attack our motion because it doesn't include specific timelines is equivalent to someone attacking their motion because it doesn't provide a mechanism for extraordinary rent increases.

Mr. Chairman, I want to say that I appreciated the support of the

hon. Member for Edmonton-Centre on this amendment. It's unfortunate that some of her colleagues went out of their way to try and break what unity there was around the whole question of opposition to the government's bill and the lack of rent guidelines. I take exception to the comments of the hon. Member for Edmonton-McClung. The actual Liberal policy bears very little relationship to the motion that they put forward, and I'll just read the section from the Liberal website. It says: "Our plan also limits rent increases to once per year. We will institute a one-time, one year long, temporary rent regulation measure that limits rent increases within that period to a maximum of 10%."

Mr. Chairman, we know that it's going to take more than one year before new housing comes on the market. If the Liberal policy, then, is to limit it to one year, then in the second year nothing will have changed. In fact, the situation likely will have worsened. So there is a serious deficiency in the official Liberal policy, which quite clearly also is very different from the motion that was put forward originally by the hon. Member for Edmonton-Glenora. I appreciated his motion. I supported it, and I believe that it is the right approach.

Our amendment is somewhat less extensive, but it is almost exactly the same, so for some members on the Official Opposition side to turn around and attack our position for being extreme is completely invalid and unacceptable as far as I'm concerned. Mr. Chairman, their motion may be fair, but that motion by Edmonton-Glenora doesn't represent the Liberal policy position, so I would hope that they would put forward an amendment here that corresponds to the policy on their website.

Having said that, I think that we've made considerable progress working together with respect to this issue, and we need to focus our attention on the government.

Mr. Chairman, I'm going to come back to the annual report of the Boardwalk Real Estate Investment Trust.

Mr. MacDonald: How much of the market do they control?

Mr. Mason: They control a considerable portion of the market. Of course, they don't brag about that in their annual report to their shareholders. It's interesting. [interjections] And what is the percentage in Calgary? And what is the percentage in Edmonton? I'm not sure. We'll have to check. We'll have to check the hon. Justice minister's figures on that.

Here's what they say, though, Mr. Chairman. In the three months leading up to December 31, 2006, their revenue in Calgary went up 16.9 per cent; their operating expenses went down 6 per cent. In Edmonton their revenue went up 10.9 per cent; their operating expenses went down 4.2 per cent. In the rest of Alberta their revenue went up 16.3. Their operating expenses in the rest of Alberta went down 5.3 per cent. So the argument that some members of the government have put forward that, in fact, the reason for these rent increases is to cover additional costs is simply not true. Their costs are actually going down according to their own quarterly financial report.

Now, there are certain things, you know, things that are under the government's control, that are actually rising, but I just want to indicate that their report, appropriately entitled Opportunity Knocks, has some very revealing information about the future for this province and something that I wish the government had done some forecasting on. They go on to say – and this is in the absence of any rent guidelines – that "rental starts have fallen, particularly in Edmonton, which will contribute to a further tightening of the market through 2007 as demand exceeds supply." What does that mean, Mr. Chairman? What it means is that rents are going to continue to rise. The kind of trend that we've seen now, this upward

trend in rents that is causing so much trouble, is going to worsen as we move through the year 2007.

So more people are going to be affected than have been so far. What does the government offer for those people? Well, they may offer a delay in the rent increases, if they do as they have indicated they will, and that is to pass a regulation that requires a year's notice for rent increase. I'm sure the landlords will be lobbying them like crazy to stop that once this legislation is passed, if it is. But eventually that year will be up, and people will have to pay up or move out, and that's unacceptable.

3:40

The report goes on to say that "demand for rental accommodation also remains high as affordability for home purchase continues to decline and prospective first time home-owners are increasingly priced out of the market." This gets us into a whole secondary issue relating to housing, Mr. Chairman, and that's the fact that young families can't afford to buy houses in Alberta anymore. According to Boardwalk – and they should know – those people have been priced out of the housing market and are forced to rent, and they're forced to rent in a tightening rental market with increasing rents and no protection from a government that lacks compassion.

Mr. Chairman, government member after government member has suggested that if there is some sort of rental cap, it's going to prevent the construction of new units, but we've said over and over and over again that, in fact, no cap should apply to new units that are being constructed. Of course, they have no logical explanation for why rent caps would in any way interfere with the investment in new apartment units, so their basic argument against rent caps simply has no validity.

Of course, this is borne out in other places where rent caps are in place and there is considerably more investment in new rental units and development of new rental units than there is in Alberta where it's declining. All of the statistics show that it's declining. There is an increase in condo construction, Mr. Chairman, but not in rental units. I think the hon. Member for Edmonton-Centre is quite right: there are almost no new rental units that are being constructed. Her constituency is the centre of . . .

An Hon. Member: The universe.

Mr. Mason: Well, I know. Please don't encourage her, hon. member. I think she probably represents more MLAs than anyone else.

It's the centre of the rental market in Edmonton, and there are similar constituencies in Calgary. Those people are all faced with dramatic rent increases, and there is not a lot of new rental accommodation that's being constructed in those places. That, I think, is proof that the government policy is failing. I mean, it would be just as logical to argue that the lack of rent guidelines is preventing the construction of new rental units as it is to argue that even talking about rent guidelines is somehow preventing investment or would impede investment in new units to which the rent guidelines don't apply. So, Mr. Chairman, the logic on the other side is really, really quite lacking.

I want to say as well, Mr. Chairman, that the very large rent increases have not abated. They are continuing to flow into my constituency office, and I'm sure that they are flowing into others as well. We have another fairly dramatic rental increase which we want to address tomorrow.

Mr. R. Miller: Today.

Mr. Mason: Whether it's today or tomorrow or whenever it is according to the rules of this House.

There continue to be some very, very dramatic rent increases against people who are completely unable to pay, that are unjustified by any standard much less even by market forces. They are so extreme. The problem is that the government has never defined it. The Premier talks about certain types of rent increases as being un-Albertan and threatens to send in his housing minister to have a little chat with the apartment owners and the landlords that are doing that, but he won't back it up with any legal action, which he should do. Mr. Chairman, he should put his legislation where his mouth is. In other words, if it's un-Albertan, if it's not right, then he has an obligation to back that up with legislation and not just talk.

That's been the basic problem of this government since it got elected. It talks about being open and accountable. It's not. It talks about being compassionate and caring about people. It's not. It talks about housing being a number one priority. You'd never know it. Mr. Chairman, if housing is their number one priority and this is how they deal with it, we are in a lot of trouble because you can just imagine how their third, fourth, and fifth priorities are going to be handled. Obviously, they're having a lot of trouble coping with this issue.

Mr. Chairman, it comes back to, you know, a real lack of understanding of the whole idea, the whole nature of democratic and open government, which is another one of their claims or their promises. They got it a little bit, I would say, when they decided to strike a task force, even put some opposition people on it, even put on people from nonprofit organizations that are working in the field, and so on, and had them go out and talk to Albertans. That part was good. But then when the report came back, they reverted to their old ways and took that report behind closed doors where they made the decision without the benefit of public input or discussion. The result, of course, is that they made the wrong decision. They made a bad decision, and they seem to be almost deliberately digging themselves into a deeper hole with every step they take.

The government doesn't look very good on this issue at all. I'm really curious about how they're going to get out of it. If Boardwalk is right and the rental market is going to tighten further, that means that rents are going to go up more, and more people are going to be forced out of their homes. Even if they put in place the regulation for a year, then when that year is up, people are going to be faced with very large rental increases. Why doesn't the government just admit that it made a mistake, admit that it has no plan to help renters, and admit that they have to change course and put something in place that actually will do the job?

Our amendment, Mr. Chairman, will do that. Our amendment will limit the rental increases that landlords can charge and allow them actually to make an increase beyond inflation. They will actually be able to raise their rents by more than the inflationary increase, but it will provide protection for tenants. So we think it's balanced.

We also think that it should be temporary. Notwithstanding what some other hon. members have said about the motion, it's very clear that the intent is temporary. But we don't know how long they will stay. The task force recommended two years. The Liberal policy book says one year. I don't think that's enough. Certainly, I haven't heard anyone in this Assembly say that they would object to taking these rent guidelines off if equilibrium was restored to the housing market and some stability to rents had been achieved. If that happens, you know, we will make the motion. I will pledge this to the House: we'll make the motion.

3:50

The Acting Chair: Thank you, hon. member, for your comments.

Mr. Oberle: Mr. Chairman, just a couple of short comments. The hon. Member for Edmonton-Highlands-Norwood has just spent the last 15 minutes criticizing our logic: we don't get it, we don't understand, we're not compassionate. While certainly we have to allow that we're talking about differences in philosophy here, you know, I don't think it's fair to malign our intent here. I will certainly allow that the intent on the other side of the House is to solve a problem here. The intention is to address people that are in need and to solve the housing crisis.

The difference is in philosophy, and I don't think it's useful to wade into a debate which is essentially: "Did not; did too. My dad is bigger than your dad." It's really not all that productive. We should be talking about the problem. But having descended to that level, just allow me to point out for a minute the flaw in the logic over here.

First of all, the hon. member is arguing for temporary rent controls when the amendment says no such thing, I might point out. So whether it's one year or two years over on the Liberal side, it's no years or how many years on the NDP side. So there's a flaw in the logic. The amendment says no such thing. It's open-ended rent control.

Now, the hon. member pointed out that the third party here has argued that, you know, obviously, there should be no rent controls on new construction, interestingly thereby conceding that rent controls on new construction will eliminate new construction, which is the argument we're making. So I guess the next logical question would be: how many landlords does that hon. member know would build a building for that first month's rent from that first renter, and that's their profit? I strongly suspect that with the next renter it won't be new construction anymore. It's old construction the day after somebody moves into it. If that's not the case, then maybe the hon. member could explain to this House under what logic it would be that some landlords are going to be able to increase their rents, and others aren't. That doesn't make any logic either.

Mr. Chairman, it's not just a simple blanket solution. The member has already conceded that. Again, it's a long-term problem of getting housing on the market, and it's a short-term problem of being compassionate.

The approach over there: Swiss cheese has fewer holes in it and, frankly, smells better.

The Acting Chair: Thank you, hon. member.

Now I'd call on the hon. Member for Calgary-Varsity.

Mr. Chase: Thank you very much, Mr. Chair. If there was the opportunity to clearly indicate what the NDP amendment A2 would like to state, in other words, if it were possible to provide such a thing as a friendly amendment, which I realize it's not, the intention would indicate: plus 2 per cent until the market stabilizes. I believe that's the intent of the amendment, and I would have no problem supporting that intent. Possibly, if we continue on, and if this day becomes a 36-hour day, we could get that amendment to be considered.

However, to talk about Bill 34 and comment a little bit further about what the MLA for Peace River has recommended and to provide an analogy. The House here is burning down, but Bill 34 says that we're going to provide \$280 million to rebuild it. I would like to think that we'd have some immediate money, and somebody would go out and get a fire extinguisher. That's what we're talking about when we talk about temporary rent controls, sunset-claused rent controls.

It's not an either/or circumstance. Yes, you need to promote housing in the long term, but you need a series of what I'm calling

co-ordinated solutions in order for that to happen. You need to have immediate stabilization, and I think the Member for Peace River recognized that fact through the subsidies. I don't think the Member for Peace River would want those subsidies to go on ad infinitum. There would be a defined period, and that's where we kind of agree.

At the same time, where the disagreement comes in: is it more expensive – and I believe it is for the taxpayer – to subsidize the landlord's profits rather than to subsidize the individual so that they could move and so that the money followed them from place to place? As opposed to putting the money into the landlord's pocket, if we put the money with the tenant so that they could do whatever limited shopping there was an availability for, I think that would improve things. As it is, we're not encouraging any long-term construction if landlords can do rather well at the moment without any new construction just by simply raising the rent to such a point where they're making their profit. There's no maintenance, no renovation, no refurbishing going on; it's strictly a profit.

Now, for the government, in terms of a series of co-ordinated solutions, one of the obvious things is to provide land. You've heard me in this House talk about the dollar deals and the lack of co-ordination or the lack of rules for dollar deals. This is a place where the province could through a variety of organizations, such as donating land to the Calgary Land Trust, that's recognized as a reputable organization that works in co-ordination with groups like Habitat for Humanity – the government could provide land at a reduced price to a builder who guarantees to bring online a series of affordable housing, whether it's in already established districts or whether it's in outlying districts. Of course, part of that affordable housing, because we don't want to extend our footprint, would be in the form of apartments, some would be in a series of row housing, and so on. There would be a degree of variety to it.

I know that we've heard presentations from a builder in Medicine Hat who basically does things with premoulded concrete and is able to reduce the price of affordable housing considerably. So the government, if they want to speed up the process, could do so by incenting the private industry, which does things in a rather efficient manner, to get these houses up and running and with some kind of a leasing agreement whereby, you know, the residents at some point in their mortgage payments will get to own the actual housing.

Back in Calgary in the '70s we had such a thing as co-op housing, and that worked well for those individuals that were interested in it. Part of the co-op housing had common rooms. What happened was that you got a variety of ages of people who supported each other, from retired seniors to young families. It seemed to be an initiative that could potentially have value in a market that seems to have no limits, at least a market the government is not willing to stabilize even for the moment.

I believe what we need to be looking at are not either/ors but a whole series: stabilize, build long-term, provide the supports for the individuals who are in that housing not just in terms of cash incentives, but in some cases it's providing counselling so that they can stay in the house, providing the affordable health care, and look at an entire package that will provide the stability that is currently lacking. To a degree we have to put out the fires of raging inflation, and the only way we can do that is by a temporary measure.

4:00

We encourage long-term building through wise investment. It's not an either/or, but right now Bill 34 does not address the here and now. It looks down the road, and unless we address what is a crisis at this time, that crisis is only going to get worse. We cannot keep going to the taxpayer to fund the landlord.

Thank you.

The Acting Chair: Thank you, hon. member.

I think we have the hon. Member for Peace River wishing to enter the debate.

Mr. Oberle: Mr. Chairman, based on the comment just made by the hon. Member for Calgary-Varsity, I'm starting to wonder if I've misunderstood this entire problem. If I heard the hon. member right and, as well, the hon. Member for Edmonton-Highlands-Norwood, now that I think about it, I'm starting to wonder if members opposite view this problem as the government, the public sector, is going to build this housing, is going to solve this long-term crisis, that we the government are going to build all this housing to meet this housing crunch, lower vacancy rates, all those things. I don't think that's what the government is thinking, and therein maybe lies the conflict that we're in tonight.

If that's the case, these hon. members here have seen the budget. It's under debate right now. They understand the pressures that we're in in Alberta, not just housing but across the board. So in suggesting such a thing, maybe they should also consider which schools, hospitals, roads, bridges we should start cancelling so that the government can do this.

Mr. Chase: We have the money to do it all.

Mr. Oberle: I see. Well, now the division is clear to me. Now it's clear to me.

Thank you, Mr. Chairman.

The Acting Chair: Thank you, hon. member.

Are there other speakers? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. Certainly, a lot of time has passed since I've had an opportunity to speak on Bill 34. Considering that we're on amendment A2, proposed by the hon. Member for Edmonton-Highlands-Norwood, I would be willing to support this amendment. But before I give an explanation as to why – since the last time I had an opportunity to speak in this House, the Minister of Justice has finished reading the red book and has now gone on to *The Rise and Fall of the Great Powers*. I'm sure that the author of that – I can't see from here – wouldn't be Mr. Dinning.

Now, the hon. Member for Peace River spoke several times, and I really appreciate that. It's an interesting exchange to listen to. He talked about short-term problems and long-term problems with this issue. He's absolutely right. The short-term problem, in reality, is that this government has not had a plan to deal with this matter for the last five years, and the long-term problem is the fact that this government has been in power for 36 years and for the last 20 years has been operating under this divine right to govern attitude, which has led to this major housing crisis to start with.

Now, the hon. Member for Peace River also suggested that we have a look at the budget. Well, I would encourage members, while they are deciding whether or not they're going to vote on this amendment A2, to have a look at the budget and have a look at the dismal failure of this government. I would refer the hon. Member for Peace River first to page 122 of the fiscal plan for 2005, the budget for 2005. The year that we're dealing with specifically here is the data from 2004. It's quite interesting, and it's quite telling. It tells not only this hon. member but it should tell this House and Albertans, clearly, how this government has failed.

Mr. Chairman, if we look at housing affordability – and this is for the year 2004 – it is home ownership costs as a per cent of pretax household income. These home ownership costs include mortgage

payments, utilities, and property taxes. The source of this data is the Royal Bank of Canada. Housing affordability in 2004 in Alberta is the best among the provinces as home ownership costs take up only 25.5 per cent of a typical pretax household income. "More balanced housing market conditions, record-low borrowing rates and good household income gains contributed to Alberta's solid housing affordability in 2004." Alberta, with that 25.5 per cent of typical pretax household income, is the lowest in the comparisons that have been issued in this budget document. Atlantic Canada is next, followed by Saskatchewan, Manitoba, Quebec, Ontario, and of course B.C. has the highest home ownership costs as a per cent of pretax household income.

If we go ahead to this year's budget document like the hon. Member for Peace River suggested, we get a different story. We get a totally different story, and we get the truth about the inaction from this government. I can understand why the government has tweaked this a little bit. This is on page 125 of the fiscal plan for the budget of this year. I can understand their embarrassment. Housing affordability in 2006, quarter 4, home ownership costs as a per cent of pretax household income: this government knows that it's gone up dramatically, from 25.5 per cent of pretax household income to over 37 per cent. That's an increase of 12 per cent to make a home affordable. Again, the home ownership costs include mortgage payments, utilities, and property taxes. The source of this data again is the Royal Bank of Canada.

In here the government states, "Despite Alberta's hot housing market, housing affordability in Alberta remains competitive among the provinces and regions." It does not. We have gone from the lowest in the country to the second highest. Only British Columbia's affordability index is higher. We have gone from the lowest to the highest in three years. This is in your own budget documents.

There certainly are indicators that would lead one to believe that the former Premier was absolutely right when he candidly admitted that we had no plan. When you have a close look at the budget documents and you compare them to previous years, it's not working out. If homes are less affordable for individuals, of course, more individuals are going to be in the renters' market. That's why Bill 34 needs to be improved, and this amendment A2 is an improvement. It certainly is an improvement. This government intervenes in markets all the time, but in this case, for whatever reason, they won't, and it is unfortunate.

The hon. Member for Rocky Mountain House talked about a definition of affordable housing. Again, I would remind him, Mr. Chairman, before he decides which way he's going to vote on this amendment A2, to have a look at the definition of affordable housing that was provided to the AUMA at the 2002 convention.

4:10

We can also look at the 2001 convention, Mr. Chairman. It's interesting to note that the town of Rocky Mountain House had a resolution in 2001 at the 95th annual conference of the AUMA in Edmonton, from November 14 through 17. They had a resolution on homelessness and affordable housing. This is what they suggested: Be it resolved that the Alberta Urban Municipalities Association requests the government of Canada and the government of Alberta to commit financial support, similar to the funding program provided to seven cities in Alberta, to smaller municipalities to begin to address these communities' homelessness and affordable housing needs.

Now, the town of Rocky Mountain House was suggesting in 2001 that the government get involved in this. Of course, the government has to get involved. Everyone but this front bench seems to realize, Mr. Chairman, that the government has to get involved in initiatives

to provide affordable housing in some circumstances. They have to build it.

I can assure the hon. Member for Peace River: if the government builds it, the tenants will come. There are long, long waiting lists for affordable housing initiatives. I would encourage the hon. member to have a look at that and to consider the Out in the Cold. This is a count of homeless persons in the city of Edmonton. There are many people that are homeless in the city of Edmonton. In fact, daily through the neighbourhood that I reside in, at about 10 to 8 this gentleman travels through. He's a middle-aged man. I think he's off to work somewhere. He's on a bicycle, and he's got a bedroll on a nice basket on the back. My neighbour pointed this gentleman out to me, and he said: look; there goes the man with his Stelmach suite, off to work again. That's what my neighbour referred to this situation as. It is quite unfortunate.

Have a look at the Out in the Cold, a count of homeless persons in Edmonton. This was conducted last fall. I had an opportunity to participate in this homeless count as did the hon. Member for Edmonton-Rutherford. I believe the hon. Member for Edmonton-Glenora was involved in it as was the hon. Member for Edmonton-Meadowlark and the hon. Member for Edmonton-Centre and the hon. Member for Edmonton-McClung. I'm sure that the hon. Member for Edmonton-Beverly-Clareview was there, too, with his clipboard and his pencil. I admire their commitment and their support to get this job done. It's done every second year. This is one reason alone why the government should get involved and do the right thing and finance and organize some initiatives for the homeless people affordable housing.

In fact, I would remind the hon. Member for Peace River that the taxpayers commit on an annual basis over \$2 million in property taxes to the federal building. Now, the federal building is vacant. It's been proposed to be used any number of times for affordable housing. If this government had common sense, it would turn around and renovate that building. We're already paying megabucks in taxes on it on an annual basis. If you look at what the tax bill was over the last 10 years, we could have had the asbestos removed and had it converted. We're converting buildings around Edmonton-Centre all the time for housing. Why not this one? Why not turn it into homes for many people? It's close to transit. It's in the centre of the city. Many people want to live in the centre of the city. But, no, no, this government won't do it. It's asleep, this government.

Whenever you think of the tax bill every year – and I had the opportunity to go to city hall and look it up. Mr. Chairman, I can't remember precisely, but last year the assessment was well over \$2 million. I can't find the line item in the public accounts, but I don't think it's there because of how public accounts is presented.

We need to have a look at this. Out in the Cold: this was the seventh count of the homeless. It found over 2,600 homeless persons in the city of Edmonton, and this is last October. Of these, over 1,700, 1,774 to be exact, were absolutely homeless. Those are individuals having no housing alternative. Eight hundred and forty-four were sheltered homeless; in other words, living in emergency accommodations.

The Homeless Count Committee organized the count – and this is why the government has to step up to the plate here – and the major findings were:

- There has been a substantial increase in the number of homeless in Edmonton. There was an overall increase of more than 19% in the total homeless counted. The number of absolute homeless increased the most substantially (approximately 22%) and the number of sheltered homeless increased by approximately 14%.
- In terms of gender, 70% or 1,820 of the homeless were observed to be male and 23%, or 608 were female. Of the

remaining 7% (190), 151 were children and caregivers in families whose gender was not observed. The gender of the remaining 39 was not recorded or was unknown. The relative proportion of the number of men to women is comparable to the 2004 count results, however in total there was an increase of 523 [men] and 100 [women].

- There was a significant increase in the number of turnaways in 2006.

And the hon. Member from Edmonton-Centre has talked about this in question period a number of times.

Approximately 2.4 times as many individuals were turned away in 2006 than in 2004 In addition, the number discharged with no home to return to increased to 113 over the previous count of 54. Turnaways are not included in the homeless tally.

- There was a significant reduction in the number of families enumerated in 2006 over 2004 This is attributable to improvements in the survey forms, which clarified the definition of dependants, caregivers, and their housing status.

[Mr. Shariff in the chair]

This is unacceptable. There are a number of reasons why this is going on. We have to look at the categories of total homeless, single homeless, family status, homeless in families, homeless by observed age, and you can see where there is a significant increase. Before we dismiss amendment A2, let's consider the plight of some of these individuals. Those between age 31 and 54 were the predominant age group, or 56 per cent of all the people identified. The next largest was the 17 to 30 age group, at 678 individuals, or 26 per cent. Of those up to 16 years of age 79 of 194 were sheltered with a caregiver. For those 17 years of age more were in absolute homelessness than sheltered, over 1,600 compared to over 700. Now, that's significant.

4:20

Whenever we have a look at the number of shelters operating and the shelter-by-shelter numbers and the registered and the turnaways, we recognize that we do have a problem. If you look at the shelters, you've got the Herb Jamieson, the Elizabeth House, the George Spady, the Urban Manor, the Lurana, the protective safe house, the CSS safe house, inner city youth housing, the Youth Emergency Shelter, the Seniors' Safe House, emergency hotels. These are on an as-needed basis, and they are provided, thankfully, by Alberta human resources and employment. There's no set number of spaces. That's under EII now. It has changed.

Whenever one looks at this homeless count for the city, it is shocking. Mr. Chairman, it is a reflection of the work that we need to do. It's not happening as quickly as we would like. The caregivers and the staff at these facilities can give a very valid, rational explanation as to why we need more housing. I would urge the hon. members from across the way to visit more of these centres. I think that if they were to visit more of these centres and perhaps participate in the homeless count as well, as some of them I'm sure have, they would be more supportive of amendment A2 here. When you look at whether individuals are single or whether they're in a family unit or whether they're a one-parent family with children, we've got to do better, and we've got to have government support to do it.

Thank you.

Mr. Oberle: Mr. Chairman, I'll start just by briefly pointing out to the hon. Member for Edmonton-Gold Bar that he's not going to find the line item for the taxes that we pay on the federal building in our budget because if he has ever delved deeply into a municipal budget, he would know that the government doesn't pay property taxes. We

pay grants to municipalities in lieu of tax, so there is no line item for taxes in our budget.

It is remarkable here tonight that this problem becomes simpler by the minute in that if, as we propose – and, you know, I certainly don't dispute the statistics of the hon. Member for Edmonton-Gold Bar. Clearly, there's a problem here. He said: if we build it, they will come. They're already here. That's why we're here tonight. We have a housing shortage and a housing crisis in effect in this province right now. That's why we're here tonight. So I'm not going to dispute his figures.

But the problem has just become simpler by the minute in that now it's apparent that both opposition parties believe that the government is going to do this. We're going to build all the housing.

An Hon. Member: No. No one said that.

Mr. Oberle: The hon. Member for Calgary-Varsity said exactly that.

I don't dispute for a second that the government has a role to play in seniors' housing, for example, in affordable housing. If anybody has been following the budgets for the last three years, we've spent hundreds of millions of dollars in that area. I don't dispute that the government has a role to play, but the government cannot do it all, in my estimation. Now, the opposition parties believe that they can, or at least a couple of members over there, a few members. Maybe we have a division within that caucus, then, if the hon. Member for Edmonton-Gold Bar doesn't agree with that viewpoint.

Really, why wouldn't we have rent controls? We don't need to be the slightest bit worried about what message we send to the private sector out there because we're really not expecting them to do anything, are we? So why wouldn't we have rent controls? We're not concerned about the signals we send out there because the government's going to build it all anyway. I would ask the question: "Hey, why don't we go farther? Why don't we put controls on the sale prices of houses? Why don't we drive the housing price way down just by a stroke of a pen, by legislation?" Then we can get all these newcomers into houses. We get them paying taxes. Everything's wonderful, and by that time everybody will be working for the government anyway.

This hon. member is suggesting that we can do all that without cancelling schools, roads, bridges, hospitals. We can do all that, and might I point out that they're going to save 30 per cent while they're at it. My goodness, what a wonderful little world we live in, Mr. Chairman. It absolutely boggles the mind. There are trade-offs involved in government, and you can't do everything for everybody.

Now, if you want to talk about how compassionate this government is or isn't in addressing the things that government needs to be responsible for, have at 'er. Let's have that discussion. But there is no way the government can do it all, and it's irresponsible to suggest it.

The Deputy Chair: Hon. members, I'll recognize Lethbridge-East, Edmonton-Beverly-Clareview, and we'll see who else wants to respond then.

Ms Pastoor: Thank you, Mr. Chair. Just a couple of comments that I'd like to make, and I'd sort of like to put myself as the developer or the apartment owner or the manager. In other words, I'm on the side of private business. Now, I'm thinking to myself: "I know that there is a tremendous demand out there, and I know that there isn't enough supply. I know that I am going to get fantastic rents." Why would I not sit on that? Why would I not wait for the demand situation to become so bad that I will get marvellous incentives from

the government to build more units? I could win either way as the private businessman, and that probably is okay because that's what business is all about.

However, I think that I've heard that the government can't do it all, nor do I think they should. What I think the government should do is to make sure that there is a level playing field for all these people that are in business who will wait until the time is right so that they will make money when they develop more units. Business will not go into something unless it can make money.

One of the examples that I would use against the argument of buildings won't happen is Wal-Mart. I remember having a little go-around with Wal-Mart. Wal-Mart said in the backrooms and tried to threaten that if they couldn't get their way at such a latitude and such a longitude where they had decided that they were going to go, they might move to the county. It's garbage. Once Wal-Mart decides that they are going to go into a certain place, that's where they're going to go. You have to have people that are strong enough to say to the Wal-Mart: "If that's where you want to go, we know that you're going to make tons of money, but you're going to pay your way there. Why should the taxpayers have paid for that?"

That's my argument on this as well. As long as the rules are created on a level playing field, business will look after itself. If there's money to be made, they'll be there. If there isn't money to be made, then why should the taxpayers pay for that? Certainly, the government should help towards, as has been mentioned, seniors' housing and affordable housing, but there isn't a great deal of money to be made in that until later on, down the road.

Real estate developers of today, especially the younger ones that are becoming involved in the industry, are no different than everyone else in society today. They're looking for instant gratification. That's not how the real estate market works. You have to have years and you have to have time to let the market forces play themselves out and to let the supply and demand balance out. It takes time. You cannot have instant gratification unless, of course, you're gouging.

Again, I have never exactly heard that definition for gouging. Which percentage is it above, and what would you use as a benchmark? I believe that with a formula using a benchmark, if you wanted to use CPI or if you wanted to use gross national product, whichever benchmark you used as long as everyone was using the same benchmark, you could then negotiate for the interests that would be above that, and everybody then is playing on a level playing field until the supply gets caught up again.

4:30

One of the things that I think would create a tremendous amount of houses on the market is if, God forbid, the interest rate would go up 3 per cent. There would be a lot of houses out on the market because people would be priced out of the market. Many people are going from paycheque to paycheque. They may be mortgage rich, but certainly they're cash poor. That certainly is not something I would want to see, but it could happen with an increase in interest rates.

One of the other things that I was going to mention, I thought was a little bit discouraging about the task force. There were many people – I believe 15 – who put in many, many man-hours and certainly the goodwill and effort that was put into that task force, not to mention the dollars that it cost to have these people go all across the province, plus the staff that had to put together the report. I think it would be very discouraging to work that hard, put forward that many recommendations, and certainly have that many rejected. It's almost as if the plan for the government had been pretty much laid out long before the task force went out to do its work.

The other part of it was that it took a while to get it out. I don't know why that would be because I really feel that probably a lot of this was in the can before the task force went out.

One of the other comments that I think I heard made was something about: why would you accept 38 recommendations when, in fact, you were already working on them? Well, I would like to know how I am supposed to know what you're doing. The way the task force report was laid out, if that's any indication, it came from behind closed doors. It was rolled out. Interestingly, I wasn't even given the courtesy of receiving a copy of the report, which I found probably insulting. [interjections] It probably was. It probably was. But if this bill has been laid out the way the task force was, it comes from secret places, and I don't think that that's a good way that it should come. How could I possibly know what you're doing with those 38 recommendations if it's all secret? [interjections]

The Deputy Chair: Hon. members, the hon. Member for Lethbridge-East has the floor. Hon. Government House Leader, if you want to participate, the chair will recognize you, but currently it's the Member for Lethbridge-East who has the floor.

Mr. R. Miller: She's almost done.

Ms Pastoor: How do you know?

I received two lovely boxes from the Minister of Sustainable Resource Development, which I think were very valuable. In fact, it is part of the land-use strategy from the government side and a workbook to go with it, which I think were very valuable. I have suggested to groups that I have met with that it should also include our land-use framework because, to go off topic a bit, I don't believe that the land-use framework should be a partisan issue. If we don't get it right, the next 50 years will be very, very difficult for our children to be living in. However, having said that, in receiving the five boxes of these wonderful books, I just assumed that I would receive the task force report on housing automatically. Silly me. [A snore was heard] I know that everyone isn't snoring because I just heard some laughter.

One of the other things that I found rather interesting today was that I attempted to meet with people who had come to the gallery to share stories about some of the difficulties that they're having in their rental situations. Because I'm trying to be open and transparent, I thought: for sure, why would we not have the press and the media, who would be most interested in having these people share their stories with them? These people were more than delighted to do that. However, I seem to have upset the communications department, of which I have no idea how many there are, so tomorrow might be quite an interesting little conversation about who exactly sort of runs things. Now, do the MLAs actually have precedence over public employees? I'm not sure. I will try to find out the answer to that question. I would think that that discussion could probably almost be as interesting as this one about housing.

So I will sit down.

Mr. Elsalhy: The minister of health is going to speak after this.

Ms Pastoor: Oh, he is? How wonderful. I'm sure we're looking for some eloquence at 20 to 5 in the morning.

Thank you.

The Deputy Chair: The hon. Solicitor General.

Mr. Lindsay: Thank you, Mr. Chairman. Good morning. It's

interesting. The hon. Member for Edmonton-Gold Bar, who stepped out, unfortunately, spoke quite eloquently . . . [interjections]

The Deputy Chair: Hon. member, you know the rules of the House.

Mr. Lindsay: I retract that remark, Mr. Chairman.

He spoke quite eloquently, actually, about the number of homeless there are in the city of Edmonton and talked about the government stepping up to the plate. I just want to remind the hon. member that Bill 34 is a home run, so we've already been to the plate and around the bases. Interestingly, he also talked about the homeless and not enough housing, yet rent controls will in all likelihood stymie more construction.

The hon. Member for Lethbridge-East spoke, I believe, about profits and gouging and talked about Wal-Mart, yet I remember reading an article recently which indicated that Wal-Mart saves the average Canadian family between \$1,200 and \$2,400 a year. So it would appear to me that the free-enterprise market does indeed work, Mr. Chairman.

I want to say that considering that free enterprise works, we certainly don't need short-sighted and short-term rent controls. All they're going to do is stymie more growth, Mr. Chairman.

With that, I'll sit down.

The Deputy Chair: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Martin: Well, thank you, Mr. Chairman. I was going to sit back and have the vote, but the Member for Peace River has caused me to stand up. Now, the member seems to have sort of this minimalist view of government. That's all right if you have an economic strategy that goes along with that, but we have this overheated economy, created by this government, that's causing the problems that we're facing. To say, then, that you can just walk away and say, "Well, that's just the way it is, and maybe we'll do a little bit here for seniors housing or this or that, a little bit; that's all the government can do," that's a cop-out in terms of responsibility. It's the government here that's setting the economic strategy. It's the economic strategy of this government not to put the brakes on – that's very clear – to move ahead as fast as they can with the oil sands, with moving oil and gas, getting into the American market as fast as they can, forgetting about the environment and the rest of it.

4:40

When you do that in a boom economy – we should know this – you have to plan ahead. As the hon. Member for Edmonton-Gold Bar said, former Premier Klein admitted that he didn't have a plan. Well, if you're going to move ahead this fast, you can't do it on the cheap. The social and physical infrastructure has to be there. Remember that back in the mid-90s we did all the cuts. All we did was move the economic deficit to an infrastructure and social deficit. That's all we did. Then we create this boom, and we've got more problems, so we can't keep up.

We have a responsibility here. You know, the hon. Member for Peace River says: well, governments can't do it all. No, they can't, but as I've said, rent guidelines on a temporary basis don't cost the government money. It gives us a little bit of time to try to work on the supply side. [interjection] Well, they're not building rental units here now, so how can you lose? That's the point. I wonder what it takes to get to these guys that they're not building it now. How can it stop the building of rental units when they're not doing it? It at least keeps some people in the housing market right now. It keeps them in their home now. They might not be there. There might be

more out on the streets after that because how many other people can take \$1,000, \$400, \$500, \$600?

So that's the responsibility of government. You're creating the boom because of the economic strategy, because we happen to have oil and gas here. You can't just walk away and say: "Well, too bad. It doesn't fit into our free-market philosophy. That's all we can do. Maybe we can spend a little bit on, you know, housing here and there and everywhere else." You can't do that. It just doesn't work. The problem is going to get worse, as I mentioned from the government's own documents.

Now, the other things we talked about in the housing task force – and I've gone through it, Mr. Chairman. They've rejected all the other private-sector initiatives in terms of giving tax incentives to build affordable housing. That doesn't cost money. You can do that. You can do inclusionary zoning and build affordable housing. Other places are doing it around the world. It doesn't take a genius to figure that out. We've got to do something, but that's going to take time. Even if we did that – and the government rejected that, or they're studying it. They rejected almost all of the supply side things to put on more with the carrot and stick approach. They rejected most of those.

So tell me, please: how are we going to deal with this when every indication says that it's going to get worse? Sure, the government can't solve it all, but the government could slow down the pace of development. Even the mayor of Fort McMurray and others have asked for that, but they're not going to do that, so we're going to keep having these problems. One hundred and nine thousand people, although there's some debate about that – in Calgary they said that they had 97,000 last year. But it's a lot of people, period. That's going to continue. From every indication we have, it's going to continue.

So what is the responsibility of government here? Is it just to say: "Well, too bad, middle-income people, that you may never own a home. Young people, students, too bad that the rent has gone up. Too bad. Nothing we can do about it. It's not our responsibility. Too bad, seniors on fixed incomes. Not our fault. Nothing we can do about it?" Well, Mr. Chairman, what is the responsibility of government in all of this, then? What is their responsibility?

Mr. Mason: Stopping pillaging and looting.

Mr. Martin: That's right. Stopping pillaging and looting, yes, Mr. Chairman.

You know, it's the economic policies of this government that's creating this. You can't then expect to do it on the cheap. Infrastructure falling apart, you know, the health care system overcrowded, people not having houses: it's all real out there for people. As we said, Mr. Chairman, the so-called Alberta advantage that they talk about is becoming for a lot of people a huge disadvantage. The Member for Peace River seems to say, "Well, we've just got a minimalist thing here in government. There's nothing, really, that we can do."

Well, I think that's a cop-out. I think that there are things we can do, as I said, moneywise: rent guidelines for a period of time to get those markets on. Tell us how you're going to get all this building in then. They're building condos because they can make a quick turnover in that, and we're converting to condos, but we're not building rental units. So how are we going to get that done? How are we going to get it done? Without controls or rent guidelines or rent stability, they're not doing it now. Why are they going to start doing it when they haven't been doing it?

So tell us what the answer is. Do we just say to thousands of people, "Too bad. It's not our fault. Let the devil have the hind leg.

Move over, and just enjoy the Alberta advantage, you know, as you're sleeping on the street"? Is that what we're really saying? We can surely do better than that. We have a responsibility to do better than that. And if you want minimalist government, then don't accelerate the pedals so much that it's creating the problems that it has. That's the responsibility of government. If you're going to do it, you have a responsibility to deal with the social and physical infrastructure, and you have a responsibility to a lot of hard-working Albertans, for whom this is, as I said, becoming a huge disadvantage.

So we have to do something here. Surely, we're elected in this Legislature to do more than just say: "Well, things are great for some people. Too bad." Surely we're elected to do more than that.

Thank you, Mr. Chairman.

Mr. Snelgrove: This is getting just more interesting as we go. You know, it's really strange. My dad used to say to us when we were at home and the kids were around him: if you're not a socialist before you're 30, then you have no heart, and if you're still after 30, there's something wrong with your head. I passed 30 a while ago.

If you listen to the opposition, all the ills of the world are in Bill 34. We've got to take a bill that allows us to limit rent controls to once a year, and now we've got to start fixing Wal-Mart and all of the things that have ever happened. It's incredible. I can tell you why most ND governments couldn't solve a road map problem: because they can't see what we're doing.

Of all you've talked about, what relates to Bill 34? No one has ever said that it was the only answer to our housing problems. It has never been suggested on this side that that miraculously would cure it all. We've said that that's one piece of the puzzle that will help put stability to the rental. That's what we said. All of a sudden: da-do, da-do, da-do, da-do comes out of there, and the whole world, the whole Alberta economy rests on Bill 34. You'd think that if we were going to wreck the world, we'd get a bigger bill. We'd at least make it thicker and with fancy language. All we're trying to get you to understand simply is: this is one tool. This is what we're going to do. We consider, apparently, all types . . .

Mr. Martin: What are you going to do?

Mr. Snelgrove: We listen to you come up with the most cockamamie things that I've ever heard of. It's entertainment, but it's not productive. [interjections]

The Deputy Chair: I would love to recognize all. I'll begin with Lethbridge-East, and then Edmonton-Highlands-Norwood.

Ms Pastoor: Thank you. I just had a couple of things that I wanted to add to my remarks from before. What I can see happening here is that it's Albertans that are ending up on the streets and ending up in these difficult positions. It's seniors that built the province that are ending up in the difficult positions of trying to find affordable housing – never mind affordable, any kind of housing – because these people are being replaced with those thousands and thousands of people that are coming into the province that the other side is always talking about. You're right. They are coming in, and they are taking the apartments that these Albertans, who probably have built this province, are being basically forced out of. So the people that are coming into our province are willing to go into huge debts just so that they can have housing. They're dreaming of all the riches that they're going to make by coming to Alberta. So the point is that it's Albertans that are being displaced.

I also have one question. If an owner has a unit and raises the rent

for the one time that they're allowed to do in that year, if that unit is sold and it is now a different owner, what prevents that new owner from raising the rent again? Does this rule apply to the unit or to the tenant? So that would be a question that I'd like answered.

4:50

The Deputy Chair: The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Chairman. I can't, I'm afraid, provide that answer.

But I did want to respond to the hon. Member for Vermilion-Lloydminster and also the Member for Peace River. You know, I think it's important that we realize that the New Democrat opposition, contrary to the position of the hon. Member for Peace River, has never said that we expect the government to build all of the housing. Certainly, we know that the government expects a significant amount of the housing to be built by municipalities and has provided money to municipalities for that purpose. We believe in a mix of housing. We think that the private sector has to contribute, but there's also a role for government to provide low-income housing, co-operative housing, municipal housing, housing for special needs. There's a wide range of ways that that housing can be delivered, and certainly the private sector has to play a role.

I want to just indicate to the Member for Peace River – you know, he said that he had a revelation about the opposition wanting government to build all of the housing, and, you know, that made things make a little more sense. I just had a similar epiphany. I just had a moment that I realized what the government is probably doing. The government doesn't want rent controls because they want the price of housing to rise, the rents to rise in the province to what Boardwalk says they want to see before they're prepared to build more housing, which is \$1,600 a month for a two-bedroom. If I'm wrong, correct me. But it really seems to me that if the government is expecting the private sector to build all the housing, and the private sector wants \$1,600 a door, then the government policy makes sense. Suddenly it makes sense because if they're single minded in their determination that the landlords are going to be able to make money in this short market, and the landlords are demanding \$1,600 a door for a two-bedroom apartment, then what the government is doing makes absolute sense to me. It makes sense to me from that point of view.

If you want the landlords to have \$1,600 a month for a two-bedroom unit and you think that that's going to make them build new apartment housing because that's what Boardwalk is saying, then it makes perfect sense to not have any sort of rent regulations. Then, you know, we can all pay. All the renters in this province can pay through the nose in order that the government can make their system work. [interjections] I see that the hon. President of the Treasury Board seems to be – I don't know if he's agreeing with me or, you know, at this point would like to take a vote.

I suspect that we might be a little closer to the truth than I thought. I thought there was no rationale for the government, but this one seems to make sense, that they do want housing built by the private sector, and the only way they think that will happen is if the rents keep getting jacked up. Otherwise, Mr. Chairman, it just doesn't make much sense.

I just want to indicate that we've had lots of debate. I actually want to say, Mr. Chairman, that I do appreciate that several members of the side opposite actually got up and engaged in debate, and it's too bad that we have to go so long before that actually happens. Actually, I find that it's a little bit useful, from my point of view and understanding, what the government is doing.

Mr. Snelgrove: As opposed to what you're doing.

Mr. Mason: Well, it's too bad that there's not the same open-mindedness on the other side. They've just made up their mind about what's going to happen.

So you know, Mr. Chairman, things haven't really changed all that much in terms of the approach of the government and the attitude of the government. They like to talk a lot about how we have a new game in town, that they're going to listen, going to care, and so on, but it's the same story. It's the same story.

I remember we went all night in this Assembly – oh, I think it was probably four or five years ago – and a very similar pattern exhibited itself, you know: the sort of disdain on the part of some members for actually having discussion. Some of them get kind of stirred up and get up and let off a little bit of steam, but they're not really listening. I think it's sad. Don't you, hon. Member for Edmonton-Gold Bar?

Mr. MacDonald: It's sad and disappointing.

Mr. Mason: It's sad and disappointing. We're all sad and disappointed on this side, Mr. Chairman. This whole evening has been a roller coaster of emotion for all of us as we've tried to come to grips. [interjection] Well, that kind of sums up a lot of attitude, doesn't it, Mr. Chairman?

It's sad that you can't go into a capitalist world and make a go of it. You know, it really exemplifies an attitude, which is also an attitude that seems to be aimed at tenants in our province: it's sad that you can't go out and make it; it's sad that you can't, you know, pull yourself up by your bootstraps and invest in your own apartment building, because if you did that, you would have shown that you can make it in the brave new Alberta. But I think that most Albertans rise above that. Most Albertans believe that regardless of what walk of life you come from, you have the right to basic shelter. You have the right to a job. You have the right to those things. People have the right to work. [interjections]

5:00

The Deputy Chair: Hon. members, I just want to remind everyone. We are currently dealing with amendment A2. I know that it is 5 in the morning, and it's been a long, long, evening. It's already morning now. I understand that, but we're dealing with amendment A2.

You may proceed.

Mr. Mason: Thank you very much, Mr. Chairman. I will resist the attempts of the Government House Leader to pull me off topic.

I will get back to A2 and just indicate to members opposite that it would certainly make a great deal of sense from our point of view, from our perspective to amend this legislation, to amend it so that it's very clear what kind of rental increase is permitted to landlords. It gives certainty. It gives certainty in the market to landlords, which is something that they want, you know, in private business. They want certainty. This would certainly give them certainty, and they would be allowed to increase their rent and exceed the consumer price index by 2 per cent. Of course, Mr. Chairman, as we've said many times, we see this as a temporary measure, and we see it as not applying to housing that is under construction. So it shouldn't be a disincentive.

Mr. Chairman, I just want to indicate, just to come back to what's at stake here, that there are tenants, in some cases seniors and in some cases people who are vulnerable but, in fact, many, many thousands of Albertans who are middle-class people, working people, families that are faced with rent increases that they cannot

afford, and the government has yet to say what they're going to do about that. They've said that they want to increase the supply of housing. That's good. We agree with that. We think that's important. But they've also admitted that it's going to be a long time, years in fact, before some of that housing starts to come on the market and have an impact on the market. They haven't provided answers for those people, and there are a lot of them. There are thousands, I would say hundreds of thousands of people who live in rental accommodation in this province that are going to be affected. This is a big, big problem, and it won't be compensated for by the fund that the Minister of Employment, Immigration and Industry – I wish we could go back to single department titles.

Mr. MacDonald: It's the department of temporary foreign workers.

Mr. Mason: The hon. Member for Edmonton-Gold Bar says: the minister of temporary foreign workers.

Anyway, that particular minister has talked about her emergency fund. She has talked about the emergency fund that she has available, Mr. Chairman, and that she's going to help people. The problem is that when you create a mass problem that affects hundreds of thousands of Albertans by bad policy, you can't fix it by individual approaches, on an individual basis, no matter how compassionate the minister would like to be. You know, no matter . . . [interjections]

The Deputy Chair: As I indicated, hon. Government House Leader, I'd be very happy to recognize you next, but currently the Member for Edmonton-Highlands-Norwood has the floor. Hon. Member for Edmonton-Highlands-Norwood, please, through the chair. That would really help.

Mr. Mason: Thank you very much, Mr. Chairman. I would like to say, through the chair, how can you do it? How can you create a problem by bad policy on the part of government that affects hundreds of thousands of people and then solve those problems on an individual basis by the minister dishing out money from a fund or another minister inviting people into his office?

You know, this is not the right approach. What it is, Mr. Chairman, is window dressing. It's window dressing. It is setting up programs that the government can say are there to help people, but in fact if they really wanted to help the people in the first place, they would create a policy that didn't disadvantage so many people in this province. That's exactly what the government should do. That's exactly what this amendment is calling on the government to do: solve the basic problem. Don't create a terrible situation for many, many people and then try to convince the public that you'll be able to solve their problems on a one-on-one, face-to-face basis. That's exactly the government's approach, and that particular minister has had that approach before in other portfolios, when she's been dealing with people in the health care system and children's services and so on.

You know, I don't think people should buy that approach. It's not a really straightforward approach. It's not something that I think is entirely – well, I think it's a bit disingenuous, quite frankly, Mr. Chairman. It's disingenuous to say: "We may have a bad policy. We may underfund children's services, or we may allow massive rent increases, but, you know, if we hurt people, they can come forward on an individual basis, and we'll hand out some taxpayers' money to fix the problem" instead of really fixing the problem at its root.

You know, I just want to indicate to the House that I really do

think that the amendment to Bill 34, the Tenancies Statutes Amendment Act, 2007, is the right approach because it fixes the bigger problem. It fixes the problem at its source. It's not a band-aid approach. It just makes a lot of sense for a lot of people. Of course, it doesn't make sense for people who are landlords that are charging in excess of rent that is affordable. I just don't know why the government is so keen to protect the landlords of the province at the expense of the tenants. I mean, they've made a choice here. There's a choice to be made. You have to stand up and be counted sooner or later, and in this particular case the government has chosen to stand with big companies like Boardwalk and other large landlords.

The particular one that is causing a great deal of difficulty in my constituency, which is Alliance Realty Management, is responsible for some of the most outrageous rental increases that we have seen, \$1,000 or more, Mr. Chairman, to people who are low income or people who are not able to work, a massive tripling of rents. This is the kind of thing that's going on, and it has been enabled by this government's policy. In fact, it's been encouraged by the policy because the government has announced that they are going to limit rent increases to one per year. So what exactly did they think was going to happen?

Ms Blakeman: That was exactly my argument about 12 hours ago.

Mr. Mason: Yes. I recollect it now. You know, I think it's a good argument because you've got the landlords – and we've read it. We've read it from annual reports that rental companies know that the market is going to tighten further. Rents are going to go up even more. So the government, God bless them, stand up and say: "Well, you know what? We're thinking we'll probably just only let you increase your rent once a year." What do their accountants think? Well, you know, if you want to maximize your cash flow, you'd probably better get in a big, fat rent increase right away, so they do.

5:10

Now, you know, there's a saying: beware of unforeseen consequences. That applies very directly to this government. They figured: "Well, you know, we can't bring in rent increases because it's very un-Conservative, not un-Albertan but un-Conservative. It's a very un-Conservative thing to do, so we're not going to do that. We will let them increase the rents, but we'll look like we're doing something, so we'll just limit it to once a year and require them to give a longer notice." What do they think is going to happen? The companies are still going to try and obtain the maximum rental increase that they can, and the government has left them a loophole that you could drive a Boeing 747 through or fly it through. They're taking advantage of it, and the government is acting like, oh, they're surprised, and the Premier calls them un-Albertan and so on. What did he expect them to do? It's not un-Albertan to be a smart businessperson.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Mill Creek.

Mr. Zwozdesky: Thank you, Mr. Chairman. I'm propelled to my feet after listening very intently for several hours to the debate. You know, sometimes you just wonder what province these people who have chatted before me are from. I don't understand when anyone in this House stands in opposition to something that is intended to improve a situation. Clearly, this Bill 34 is an attempt to do that, and here we are, listening to a bunch of folks on the opposition side standing and doing the usual thing – grandstanding and filibustering and so on – and trying to make it sound like there's some sinister

motive behind this particular bill. Nothing could be further from the truth, and the surprising thing is that they all know it. Every single one of them knows it. These are intelligent people. They know it. I think they do. But, you know, the shell game ought to come to an end soon, and I'm sure it will.

We recognize that there are people who are experiencing some difficulties, and that's why we have some of the best social programs anywhere in Canada. We've travelled across this country, and we've seen those. I'll tell you: from the years that I spent helping people in the PDD programs, for example, the parents of those children who are now adults will tell you that some of the reasons that they came to Alberta are exactly those I've just enunciated. We do have the best programs. We've built them, and the people are coming. And that's not just economic programs; those are social programs.

We have the lowest taxes anywhere in the country. We have the best health care system anywhere in the country, the best education bar none, one of the best if not the best postsecondary systems anywhere, the highest quality of life, and here we are trying to maintain that because we've suddenly experienced an unpredictable influx of people from all over the country, from all over the world. Why? Why have they done that? They've come here because of these incredibly successful programs, because there's a government here that does care, that does listen, and reacts and responds responsibly, not just with quick, short-term fixes but with sensible programs that do help in the long run.

Yes, there's a little bit of short-term pain out there that some people are experiencing. We're aware of that, but there is a longer term gain to be built and to be experienced if we go about this properly, and I think we're doing that. It's a difficult situation, and it's awkward on both sides. There are some awkwardnesses for certain tenants, not all but some, and there are awkwardnesses as well for certain landlords, some but not all, and we've heard from them. We've heard from them. This happens to be a time when some landlords have procrastinated in the renovations, perhaps, that they were wanting to do. Perhaps they wanted to replace – I don't know – a boiler system or a roof or the windows or whatever, and they didn't do the increases to rental rates over the last few years. They waited. Now that the economy is a little stronger, they're playing some catch-up. So I have some sympathy for the landlords. I have equal sympathy for the people who are the renters, who suddenly are being faced with some sharp increases. In most cases the landlords are doing their best to explain that.

However, what has happened in the last little while, Mr. Chairman, is that we as a government have introduced some very significant new initiatives to help out. There will be, for example, situations where a landlord and a renter can't get their act together or are disputing with one another or whatever the case might be. There will be a capacity built into the new system that allows for a landlord/tenant dispute officer, an independent person, to come in. This is a new thing, and it needs a little bit of time, perhaps. I'm not immune to the fact that anything that's being tried that's new might take a little bit of time.

You know, I look at this amendment that's before us, and I fail to see how this is going to do anything but bring in some type of price-fixing, which we don't do. We don't interfere with what Safeway or Sobeys or whoever charges for food, and those are necessities. We don't interfere with what Shell or Esso or Mohawk or whoever wants to charge or have to charge to recover some of their costs. We stay out of that, and we're doing our best to stay out of this as well.

For those people who are experiencing trouble – and I recognize that this amendment was intended to help fix and address that – there are all kinds of new initiatives that have just been introduced: 285

million brand new dollars over and above, whatever it is, the billion or more in all the different programs that assist. This includes the establishment of the new municipal sustainability housing fund. That's going to pump \$100 million per year over the next three years to address part of this situation. There's a \$14.3 million increase for the rent supplement program, which will bring the total funding for that one particular envelope up to \$33 million a year.

It doesn't end there, Mr. Chair. There's the establishment of a brand new \$7 million homeless and eviction prevention fund. There's \$96 million more to create partnerships between all levels of government and nonprofit groups and the private sector, who will help create 11,000 – let me say that again in case they didn't hear it – 11,000 brand new housing units over the next couple of years. Of course, there's the establishment of the province-wide residential tenancies dispute resolution service, which I mentioned just a little bit earlier.

You know, one of the greatest disservices that we could do to the situation that we face is if we were to get involved to the point where we were interfering and creating disincentives for the people who are most able to help solve this problem, and those people are the private investors, the builders, the construction folks, the developers, and so on. We need to make sure that we stay very stable with our economic policies and our social policies so as to attract more of them into the business of building some of these units. That's the only way this will happen. No government anywhere is ever going to be able to build enough of these so-called affordable housing units without creating a total collapse. If you want proof of that, go visit the former Soviet Union, and you'll see exactly what I'm talking about. That's exactly what I hear so many people on the opposite side try to allude to. We don't want to get involved in that.

You know, we're accused of either not participating in a debate or not giving information or not giving answers. I listen to question period every day. There are more answers than enough being given. There are even more dollars being given. There are new programs being given. There is all kinds of good information being given. I listen to some of the criticisms from members opposite, and with due respect, some are blowing and some are sucking. Some are trying to blow and suck at the same time. We understand how the game works, but the danger is when they don't know that they're blowing and sucking at the same time. That's what part of that danger is.

5:20

I want to just conclude my comments by saying that there are some issues that need to be ironed out. Some of them have to do with mandatory higher rates when vacancy rates are high. We know what the business cycle – well, at least those who know business know what the business cycle is all about. We know that there's going to be an ebb and a flow to this, that there are going to be high points and low points. I fail to see how this particular amendment will address some of those points. There are issues with respect to no guarantees for owners that taxes will not be increased, except in Alberta, where we have said that the only direction taxes are going is down, and we've stuck to that. There are no guarantees for owners that utility costs might not increase. There have been some tough times out there on both sides of this equation. We just need to work our way through this, and that's what we're attempting to do.

It just absolutely baffles me that we would have to sit and listen now for – what is it? – 15, 16 hours of in many cases some serious stories but in other cases a certain amount of piffle with respect to a very serious issue that we have some solutions to. I think members opposite know that and ought move on with this.

Thank you.

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

Mr. R. Miller: Thank you, Mr. Chairman. It's my pleasure to rise this morning and speak to amendment A2. You know, it's not often in this Legislature that I agree with the leader of the third party, but he certainly made a comment a little while ago that I agree with, that one good thing about being here as long as we have this sit-in is that it does occasionally cause members opposite to get involved in debate. That is a good thing because so often, unfortunately, the arrogance that has set in with this government causes them to believe that as long as they've had the discussion in their caucus room, there's no real reason for them to get on the record in this Legislature. They do a disservice to all Albertans when they behave in that manner because all Albertans deserve to know their thoughts on these issues, where they stand on these issues. This is a really, really important issue.

It was really good to have the President of the Treasury Board stand up a few minutes ago and share his thoughts on this issue because, otherwise, Albertans would have no idea where he's coming from on this. So here we are. Now it's almost 5:30 in the morning, and it took that long to engage them. But it did happen, and that's good. We had the MLA for Edmonton-Mill Creek, and he spoke very passionately about what he believes in. You know, I don't agree with him, but at least he's on the record, and that's good.

There are several MLAs in this House that have been here throughout the evening that have yet to speak, and I'm disappointed in that. I think if you were to look on this side, if not all of us, almost every single one on the opposition side has spoken this evening and some of us many times. But there are a lot of members on the government side that have yet to tell their constituents where they are on this issue. So the fact that amendment A2, Mr. Chairman, has caused some debate and sparked some ministers and some backbenchers on the government side to get up at 5:30 in the morning and finally share with Albertans their views on this very important issue is a good thing.

Now, I'm going to reiterate a challenge that I made several hours ago in response to the comments from the President of the Treasury Board. He referred to Bill 34 as being not the solution to the rental crisis that is taking place in this province right now but a single piece that will help to address the situation. I agree. There is some good stuff in this bill that will help to address the situation. Ultimately this bill will pass, and ultimately it will take some positive steps towards addressing what has become a very serious situation in this province and, as I said earlier, a very serious public relations problem for this government. My challenge to the President of the Treasury Board is for him to stand up now and tell us which piece of the puzzle addresses the gouging that we are seeing currently. Please do that. You know what? This debate would be over a whole lot faster if the President of the Treasury Board would do as I ask: stand up and tell us, tell the people of Alberta which piece of the puzzle is going to address the gouging.

Mr. Snelgrove: That's a good, fair question because I think that, ultimately, it is one of the problems you have, that there may not be a legislative ability to say that this is gouging and that that is not. I think we've all agreed that it would be difficult to say that \$900 is not; \$1,000 is. The particular circumstance would have to be judged to really know. I mean, honestly, if you're in a basement suite where you're only paying \$400 and somebody goes to \$650, that might be gouging for what it is. You can't tell. [interjections] Well, just hang tough. Work with me. I like to get up just about this time in the morning. It's when I do my best work.

There is an opportunity for us to work and develop the land-

lord/tenant dispute mechanism, which in the future could be the tool we use to address that situation. Unless you have an opportunity for both the landlord and the tenant to sit down in some kind of a forum like that so that each individual circumstance can be addressed, it won't work. You will never, I don't believe, address it by putting it in a legislative framework because you know how complete all the legislation has to be in its frame, in its form, in our leg. review to address all of the issues. With all due respect, hon. member, this bill was never intended to solve all the problems. It was to put stability into rent increases per year and into condos. So that goes on a separate stream.

Over here in government we will work. We are expanding the tenancy dispute program. I'm meeting with the board next week or as soon as we can – at their convenience, not mine – to sit down and get a handle around: is there an opportunity to work with the industry and with the tenant associations to develop some kind of a framework that might work? Then we'll deal with it. But it is not going to happen in this legislation because it won't work in a tight, legislative form. One year is pretty easy to define. One rent increase a year is legally easy to define here. That's what's in this bill. That's what we're debating. The landlord/tenant stuff is not in here. You're trying to debate it as if it were.

Mr. R. Miller: The one year isn't in here either.

Mr. Snelgrove: That's exactly my point, and it's taken this long for you to realize it. We are debating this bill, not the solutions to the landlord dispute. How can you put it into a bill when you haven't sat down with the groups to even know if it's possible? You are trying to take all of the solutions and wrap them up under the context of Bill 34, and that's just not possible. You've already said: "Nothing can be done. Have to do it in Bill 34." We have said consistently that this is one piece of the puzzle. Quite honestly, this bill should have gone through, and I think most renters out there would have said: "Okay, we got that much. We got that ratcheted down. Now at least we know for a year."

This government has evolved for 36 years, and we have worked through problems. Albertans have worked through problems. It's you guys that are putting up the roadblocks around this, not us.

Mr. R. Miller: There's no roadblock.

Mr. Snelgrove: I'd say that it might not be a roadblock, but you've got a pretty big bump.

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

Mr. Tougas: Thank you very much. This has just been a fascinating piece of political theatre. It's been a lot of fun to watch. For the first time ever it's actually been fun to be in here.

Mr. Snelgrove: You don't know if it's a tragedy or a comedy.

Mr. Tougas: No. Well, that's a good question.

The real tragedy is what's happening to a lot of people in Alberta, and this is what I'm hoping to hear from anybody opposite. When somebody comes to me, like the lady I had here the other day, with a \$350 a month rent increase: what do I tell her? Can anybody over there tell me? What do I tell this woman? There's no answer there. Three hundred and fifty bucks for kind of a rundown place. Is she supposed to move? Is she just supposed to give it up? Is she supposed to pay for it? She's never had a rent increase remotely like that in all the years she's lived there. I don't know what to tell these

people. Can somebody please tell me: what's the solution? What do I tell this person? Anything, really. There's this homeless and eviction prevention fund or something like that. Is she supposed to apply to that? It's not established. You know, I understand all this long term and the business about: okay; we don't want to deter people from building and all these kinds of things. That's fine. I understand it all. But you try to explain it to someone who has got a massive rent increase and doesn't know what to do. What good does it do? It does nothing. I mean, I don't know what to tell these people. I've had a lot of people come into my office with this problem, and I just go: I'm sorry; I don't know what to do for you. Anybody? Suggestions?

5:30

An Hon. Member: We have programs.

Mr. Tougas: Programs? What if they don't qualify for the program? What if they just fall underneath it? What's the criteria? Where is it, you know? A lot of these people will certainly not fall under the criteria. And why should they have to do that? Why do they have to go on what's basically a form of welfare or something? I mean, they're proud people. They've never had to do that before, and now all of a sudden it's: well, you have to go there and get money from the government just to survive. That's insulting to a lot of people.

I'm glad to hear, finally, some explanation from the President of the Treasury Board about gouging. I'll have to read it in *Hansard* to figure it out.

Ms Blakeman: A thousand is; \$900 isn't.

Mr. Tougas: Well, apparently. I don't know what it is. That's another good question. We really have to have that answered.

But please, if anybody – not just: oh, apply for this, apply for that. It doesn't work for people. I mean, they're hurting, and they want to know what to do. I'm open to suggestions, please.

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

Mr. Chase: Thank you. The President of the Treasury Board has admitted that Bill 34 doesn't contain all the answers. He's also admitted that Bill 34 doesn't even include in the wording the one-year timeline. My question to the President of the Treasury Board is: what's the point of proposing something imperfect in the meantime? How does that help the individuals whose rents have been raised at this moment? What's your solution for the interim?

Mr. Snelgrove: The bill will be retroactive to the day the government announced it, April 24, and you know that. The bill is a bill to change the regulation-making authority. You know that. That's in the bill, if you've read the bill. Nothing – nothing – will go back before that and set back these people's rents. Nothing. We have programs for people that qualify to help them if they're in that circumstance.

But for a government to do that, you are saying that it's within the purview of this government to go into someone's private business and arbitrarily take out what they believe to be their right to charge for their product without compensation. That's what you're saying, and we just don't believe it. It might not be all the wonderful gold dust you put on it, but if you've read the bill, you will know that it is a bill to enable the regulation-making authority of the minister to set the date of increases in rents. That's it. That's all the bill is.

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

Mr. MacDonald: Thank you very much, Mr. Chairman, and I'm going to speak on amendment A2. Now, certainly, I have listened with a great deal of interest to the hon. members from all sides of the House. We're talking about: we don't have the authority or the interest or the ideology to interfere; we're going to let the market solve this problem. The hon. Member for Peace River talked earlier about his involvement with the forest industry and how we can't get involved in any solutions to provide housing for those who cannot provide for themselves.

[Mr. Lund in the chair]

My question in this debate would be – and we're talking about the \$285 million. Well, it's less than 10 years ago since this government relaxed a loan, just wrote it off, of over \$200 million to a major player in the forest industry, Millar Western.

Mr. Snelgrove: You said that you were going to deal with the amendment.

Mr. MacDonald: I am going to deal with the amendment, but we've got to clarify a few things first and correct them on the record, hon. minister.

If you look at the budget, you see the loans and advances that are made here on a routine basis to the Agricultural Financial Services Act, Student Financial Assistance Act, the Ridley Grain company, Vencap, Farm Credit Stability Act. Alberta Housing Act gets \$20 million.

Mr. Snelgrove: So you were fibbing. You're really not going to deal with the amendment. You were just teasing us.

Mr. MacDonald: No.

We look at this and we see how conflicted this government is. You see them say one thing in debate, and when you look at their record, there's another thing on paper. That's why we have to give this amendment or a similar amendment a chance. What we have forgotten about here is the people that the hon. Member for Edmonton-Meadowlark talks about. The people are confused. They're scared. They don't know which way to turn. Everyone needs an affordable, safe, and secure home. I realize that the whole housing structure has gotten out of hand because of this government's lack of attention, but it has to be fixed. This bill has to be fixed, and amendment A2 is at least a start – it's at least a start – because people need some kind of protection.

[Mr. Shariff in the chair]

We can talk about anyone in any neighbourhood in this city. They can look out across the street from their two-storey house, and they can see homeless people. They can see people living there under the mature spruce trees. That's not part of the Alberta that anyone wants, but the reality is that's what's going on. Working people, hard-working Albertans, seniors, students, those who are on government programs, whether it be AISH or whether it be SFI, are affected by this. I don't think we get that. If you were only to come to our constituency office, I think you would understand that. I thought last night it was understood. I watched the news, but I don't think the message is getting through, and that is unfortunate.

This amendment A2 is certainly a step. I have other issues with this bill, but at this time I have nothing further to say on amendment

A2, but I certainly have a lot to say on certain sections of this bill as we proceed through committee. I'm hopefully going to get an opportunity to get the statute from the cupboard and just have a look at this Regulations Act and see how this is going to work in the interests of renters.

Thank you.

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

Mr. Elsalhy: Thank you, Mr. Chairman. I promise to be brief. I wanted to thank the hon. president of the Treasury for his willingness to investigate means to empower the residential tenancy dispute resolution board or some other board or agency that the government deems appropriate to referee those disputes between landlords and tenants. As it stands now, the dispute resolution mechanism in Edmonton, at least, as a pilot project is limited in its capacity and its scope. So I'm hoping that after this one-year test period finishes, then the government might really evaluate ways to offer the mandate and the tools for the employees of the dispute resolution board to do more than what they are currently asked or mandated to do.

Now, my question to the hon. president of the Treasury. Would he find it a suitable compromise, something that he might be willing to at least investigate, if we bring in a temporary rent cap – we're not saying to freeze it, but we're allowing it to increase by a limited amount, let's say 10 per cent or inflation plus a percentage – and then we allow the residential tenancy dispute board to adjudicate or to handle requests from landlords for amounts that exceed that percentage? Would that be an allowable middle ground? Would that be a compromise that he's willing to at least study?

What I'm saying is: in those circumstances a landlord can appear before the board or whatever else the agency is determined to be and justify and provide evidence as to why he or she needs a bigger increase, and then the board can study the case or evaluate it. Then they say yes to this particular landlord because of a certain maintenance or a certain cost that he or she is incurring. Doing this, would that be a suitable compromise where the president of the Treasury and his cabinet colleagues would be willing to, you know, be a little more flexible?

Thank you, Mr. Chair.

5:40

Mr. Snelgrove: Mr. Chairman, I wouldn't want to impose or to put a parameter around what the landlord tenancy board and the tenant representatives might want to look at, so it's really irresponsible for me to even suggest that 10 per cent plus the cost of living or 50 per cent or 1 per cent. If we're going to approach this situation with an open mind and be able to sit down with the ownership groups and with the tenancy groups, you can't tell them what they're going to decide before they sit down. I'm not telling you that's a bad situation, but certainly I'm not going to ask them to come in when I've already decided what they might recommend to us as an appropriate route. It's just that simple.

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

Mr. Snelgrove: Is it on the amendment, Hugh?

Mr. MacDonald: Yes, it is, and it's about the comments of the hon. Minister of Service Alberta and the Treasury Board. Is the hon. minister confident that this bill as it's currently written, and with this section that is allowing the bill to come into force on April 24, 2007, as the hon. minister had stated earlier, would survive a legal challenge? I understand that there are landlords that are not satisfied

with this date of April 24, 2007. When this bill was drafted, was that taken into consideration? Is the minister confident it will survive a legal challenge? That's my question at this time, Mr. Chairman.

Thank you.

Mr. Snelgrove: This bill went to the review, and it's handled by people that are far more able to deal with legal issues than myself, so I put my faith in the good judgment of our staff.

The Chair: Are you ready for the question on amendment A2?

Hon. Members: Question.

[The voice vote indicated that the motion on amendment A2 lost]

[Several members rose calling for a division. The division bell was rung at 5:43 a.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Blakeman	Martin	Miller, B.
Eggen	Mason	Pastoor
MacDonald		

Against the motion:

Ady	DeLong	Lindsay
Agnihotri	Elsalhy	Lougheed
Brown	Groeneveld	Lund
Calahasen	Hancock	Melchin
Cao	Hinman	Miller, R.
Cardinal	Jablonski	Oberle
Cenaiko	Johnson	Snelgrove
Chase	Johnston	Stevens
Coutts	Liepert	Zwozdesky

Totals:	For – 7	Against – 27
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[Motion on amendment A2 lost]

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

Dr. B. Miller: Thank you, Mr. Chairman. I think we have the solution. It's the answer. It's been in our Liberal statement on housing long before the task force. It's our solution in terms of a way to handle the problems we've had today. I think this will be the answer, and it's the next amendment that I would like to make.

The Deputy Chair: Hon. members, we shall refer to this amendment as amendment A3.

The hon. Member for Edmonton-Glenora.

Dr. B. Miller: Thank you, Mr. Chairman. The hon. Member for Edmonton-Highlands-Norwood has been fixated on our website, the Liberal caucus website, and has referred to the Liberal policy many times. I don't look up the Liberal caucus website very often, not as often as the hon. member. I don't know why. I guess they're always constantly checking to try and figure out how to keep up with our wonderful policies.

You know, we tried to promote the task force's recommendation of the CPI plus 2 per cent, which failed. If you look at CPI plus 2

per cent – and the CPI is about 5.5 per cent – that's about 7.5 per cent. Now, this amendment suggests that it should be 10 per cent. So I move that Bill 34, Tenancies Statutes Amendment Act, 2007, be amended in section 1(4)(b) by adding the following after the proposed subsection (8):

(9) No increase in rent payable under a residential tenancy agreement shall be greater than 10% for the period April 24, 2007 to April 23, 2008.

This is, obviously, a temporary measure to help get through this year. It's at 10 per cent. That's about the average of rent increases in Alberta. So this is obviously a solution in terms of preventing gouging. That's our real concern and the concern of those people that have come to us. It's not increases around 10 per cent that are really serious; it's the big increases.

I had one person from Baywood apartments here in Edmonton, where his rent went from \$650 to \$950. Now, that kind of increase is just overwhelming. If we just leave it up to market forces – the market is not working. It's not working, so we need to have some kind of cap like this. This, of course, is a lot more generous than the one that was proposed before, and I'm sure that lots of landlords would be in agreement with this kind of measure. I think this is the right way to go.

6:00

I'll just maybe make more reference to the wonderful Alberta Liberal housing policy which was put together some months ago, actually at the end of last fall. It has a number of sections; first of all, creating affordable housing, so a lot of suggestions about supply, supply side. But the most important section for dealing with what we've been hearing from all kinds of people that have come to us is the section that's called Protecting Renters. In this section, along with lots of suggestions like portable housing allowances and rent supplements and microcredit for low-income renters, is a section called Enhance Tenant Protection. There we suggest that we will institute a one-time, one-year-long temporary rent regulation measure that limits rent increases within that period to a maximum of 10 per cent. This will lessen the risk of tenants losing their homes while giving communities and builders time to create additional affordable housing spaces. It seems to me that that makes sense.

You know, the problem is that when we in the task force looked at this whole issue, we called it a housing-first philosophy. First, have people be able to stay in their own homes. Housing first. Then you wrap appropriate services around them so that they can move through the continuum. But with the huge rent increases and the gouging that are occurring, people are not moving forward; they're moving backwards. That's where there is, I think, tremendous concern on the part of everybody. The unaffordable rent increases especially that lead to paying much more than 30 per cent of your monthly income – sometimes 50 per cent, sometimes even higher – mean that people are not moving forward; they're moving backwards. That's a tragedy. A cap like this enables I think keeping the gouging, the huge rent increases down so people can stay in their homes, and they're not one rent increase away from being near homeless.

Mr. Chairman, that's all that I would have to say right at this point, and I invite others to participate.

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

Mr. Oberle: Thank you, Mr. Chairman. I just want to point out that I believe the hon. Member for Edmonton-Glenora said it before, and I know for sure the hon. Member for Lethbridge-East said it sometime right around midnight, I believe it was, if I remember correctly. The question of gouging and the inability to define that

term: what exactly is gouging? What's an outrageous amount of rent increase?

Mr. Chase: Now we've defined it: anything over 10 per cent.

Mr. Oberle: The hon. Member for Calgary-Varsity just plucked one out of the air, but nonetheless a couple of people on that side have said: how do you define gouging? I wonder how it is that we can't define what gouging is, but apparently we can easily define what an acceptable rent increase is.

The hon. Member for Edmonton-Glenora just said that he's sure that most landlords would be accepting of this, and I would kind of have to question that one as well. Where's the polling data on that? I'm getting letters in my office too. Most of them are from landlords.

Mr. Chase: Yeah, and they're form letters.

Mr. Oberle: No, they're not, actually, member. They are not.

Mr. Chase: They are in my constituency.

Mr. Oberle: Well, good for you.

Anyway, a couple of points. One is that you can't define gouging, but it's easy to define an acceptable rent increase for some strange reason, the second one being that I fail to see where you're getting the data that would suggest most landlords would agree because I don't think that's true.

Thank you, Mr. Chairman.

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

Ms Blakeman: Thank you very much, Mr. Chairman, for the opportunity to rise and speak in support of amendment A3. As my colleague from Edmonton-Glenora has already said, this amendment reflects the policy that we had developed through the Alberta Liberal housing policy.

My most specific concern right now is: how do we get our constituents through this current situation, and how do we in the best way possible with the largest number of landlords possible bring them along with us? Clearly, we don't want to have an all-out war happening here. People need a place to live. There's an opportunity for people to make money if they have spaces to rent. How can we make the best out of the current situation that we have? It's not a good situation. I think even members opposite would admit that what we have currently is not a good situation. It doesn't look good on anybody when, you know, a 74-year-old grandmother is getting a \$1,000 hit as an increase in her rent per month. That doesn't help anyone.

I brought forward all kinds of examples of people where – and the rents in the older housing stock that I have in Edmonton-Centre have been lower. I have hundreds of three-floor walk-up apartments, sort of four apartments on each one. There's usually a dozen to 15 apartments in the little block building. They're not particularly energy efficient, they're not particularly attractive, they're a reasonable size, but they're old housing stock; let's not kid ourselves. It's old plumbing. It's old wiring and everything else. They were built, some of them, just after the war and some of them up to about 1970.

Those people who were paying rents of sort of between \$400 and \$600 or \$700 are looking at their rents increasing by, most of them, in the \$300 range and sometimes \$265, \$235, \$275. Most of the ones I've seen have been in that range. So they're going up by 50 to

almost 100 per cent of what they're paying. This is a stretch for people. I've talked about people taking extra jobs to try and cover their rent so they can stay where they are. I've talked about the hardship of people who, you know, have a beloved pet, and if they are forced to move, the likelihood they could find a place where they could take the pet along with them is a difficulty.

So how do we get through the situation we have in front of us? What's a better possibility for us to work with? I think that's included in what this amendment is putting in front of us. We did go back and look at what rental increases had been on average over a long period of time. What we found was that the increases tended to be in the sort of 4 to 6 per cent range if you averaged them out over an extended period of time. I think we looked over 38 years or something, so we were looking over a very long-term period. Our thinking at the time as we developed this was: okay, if we looked at that 4 to 6 per cent and we took into consideration that there was a difficult housing market, a special housing market, an inflationary housing market, however you want to term it, could we satisfy some sector of the landlords with a 10 per cent increase? Would that be enough to keep them working along with us, to make enough money on their investment?

Again, my situation may well be different from everybody else's because we're not looking at landlords that are trying to recoup enormous recent building costs. This is old housing stock. At the most what we would have is major renovations that have happened. But, frankly, in a lot of those cases where they were looking at major renovations, they were also looking to condo-ize, to turn it into condos. So that actually ended up in a different kind of situation.

I can live with the 10 per cent. I think it's the best solution that I've seen to try and be reasonable to people looking at rent increases. I think it's a better solution to have a period of time involved, which is clearly laid out in this amendment. It's only one year. We may have to look at a second year, but I'm very reluctant to start out by saying that two years is going to be appropriate. I sure don't want to leave it open ended, and I don't want to see it be three years or five years because I think you're in trouble then. It's very hard to remove a rent cap when you've had it in place for three or five years.

6:10

So I'm more comfortable in supporting this amendment, where you're trying to work something that is certainly reasonable for a lot of the landlords that I've worked with for the kinds of increases they're expecting if they are trying to recoup from problems with electrical rates going up, some modest repairs and maintenance, that have gone along in trying to keep buildings in a reasonable state of repair and not overburden people that for the most part are paying a fairly reasonable or even a low to moderate range of housing possibilities.

I have some very good small landlords that own one building and look after a small number of units and have tried to do the best they can with those tenants. Certainly, I have no reason to want to try and penalize them. I've heard from two of them who were very upset with the choices that the government had made because they had been going along incrementally raising the rent. It wasn't even 10 per cent, you know, in the sort of \$35 range. It was more like in the 5 to 6 per cent range that they were raising once every eight months or so. They really feel that they got stuck because they had planned to go along on that kind of increment, and now they're looking at a much longer period of time than they anticipated. They're, you know, very angry, those folks that I've talked to.

I've also had a number of anonymous phone calls left on our answering machine in which they didn't identify themselves and a couple of form letters. Frankly, if the landlord is not going to tell me

that they are actually the landlord functioning in my constituency and they won't identify themselves, then unfortunately I'm going to have to discount them. I wish that I didn't have to do that, but if they won't identify what they have to do with my constituency, I don't know what I'm supposed to do with that information. They've got to tell me who they are and sign the letters, or it's not very helpful to me. At least give me, you know, an address of the building that they own even if they themselves are not living in the constituency.

I'm trying to work with those landlords that are running reasonable operations, that are trying to offer a reasonable product at a reasonable price and not get caught as a small businessperson. I understand that. I'm more concerned at the situation that I have been seeing in Edmonton Centre for more than a year, and that is where people are paying extraordinary rent increases, and it's truly putting them in hardship. These are people – and you've heard me talk about them in question period – on AISH, seniors, students, working low-income people. Those are the people that are mostly affected by rent, who really feel affected by these rent increases.

Having said all that, that's why I'm willing to support, and I'm actually looking forward to supporting amendment A3 with what's being proposed here. I think it's going to help the people in my constituency both on the tenant side and on the landlord side.

Thanks for the opportunity to stand and speak in favour of that amendment.

Mr. Snelgrove: Very briefly, the problem that I don't see the solution to in this thing – and I do appreciate that it is a brief amendment, so it's very easy for the chairman to keep us on topic because this is very clear – is that if a landlord is not going to make his ends meet with a 10 per cent increase, he's just going to evict the people that are there. There's nothing to address that. So if it's \$500 a month rent, you're going to allow only 10 per cent. If the landlord needs \$80 a month more to break even, we've taken that out of the opportunity. We've evicted this person because we picked 10 per cent as the arbitrary number.

Granted, in the huge bunch of landlord/tenant relationships it wouldn't have any effect for many of them. But the ones that are in that would simply evict the people, put the rent to whatever level they wanted, and start again. So the unintended consequences of having to deal with an issue somewhat in isolation from all of the other parameters makes it really difficult to consider supporting this because, in fact, I think you'd end up with far more people evicted and create tremendous amounts of stress and uncertainty just so landlords have to use a backdoor method to raise rents rather than be up front. I think that this probably isn't the solution that we're looking for here.

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

Ms Blakeman: Thank you. I take the point that the minister is raising, but this is where we have the impasse because, frankly, you don't want any kind of a parameter or a definition put on this, and when we challenge you to put any kind of a definition on something like gouging, you're unable to do that. So somewhere this has got to meet in the middle because we are not serving our populations here. There has to be a way right now – right now – for us to come up with some sort of notice period and to come up with some sort of . . . [A ringing sound was heard] We'll just wait for that cell phone to get answered.

An Hon. Member: An alarm clock.

Ms Blakeman: I'm so sorry: an alarm clock. Well, I guess that at a quarter after 6 that would be appropriate.

You know, we're not serving our constituents here, whether those constituents are landlords or whether they're tenants, and frankly the people that I'm most worried about on this side of the equation are the tenants. But to say, "Well, we won't put any kind of a limit on the amount of money of the rent increases that they would be getting for fear that they would be evicted" and to therefore open the door to the kinds of rent increases that we've been experiencing in this Assembly for the past week and that I've been experiencing in my constituency for the past year is equally unacceptable to me. There has to be some way that we are going to figure out how to meet in the middle. It's got to be a term of notice period, and it's got to be some kind of rent cap because one thing does not work without the other, and we've got a situation that is not helping people in Alberta right now.

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

Mr. Chase: Thank you, Mr. Chair. What we attempted to do in a very simple, clarified circumstance, which I'm pleased that the President of the Treasury Board noted, was define a percentage, and above that percentage we'd consider it gouging. Now, the President of the Treasury Board suggested that landlords would simply evict people and force a raise, but my understanding is that if this legislation is in place, that would be illegal. That's the point we're trying to make. What we're trying to do is create stability. We're trying to create predictability both for the landlord and for the tenant. We're recognizing that inflation is running, I believe, right now around 6 per cent. So we're leaving a margin of profit for the landlord but not an extreme hardship for the tenant although there will be a number of tenants who are on fixed incomes like AISH, like seniors' pensions, and so on that are still going to need some form of government subsidy to get the difference between the current rate and a 10 per cent increase for them.

This is the most simple, reasonable declaration that we could possibly come up with. What it does is provide the definition that Bill 34 lacks. Bill 34 says: any increase is acceptable providing that it's done once a year. We're saying: the only increase that is acceptable for this experimental time period, defined as April 24, 2007, through April 23, 2008, its sunset clause, is a limited percentage. It's definable. It's predictable. It's a stable alternative. We're putting ourselves out on a limb, but we're defining the length of that limb and the amount of weight you can put on the limb whereas the government is saying: go for it.

The Deputy Chair: The hon. Member for Edmonton-Beverly-Clareview.

6:20

Mr. Martin: Thank you, Mr. Chairman. It would be hard to support this amendment. I could perhaps live with the 10 per cent although I think we know what works in other parts of the country, the CPI plus 2, but that's obviously not there.

I'd point out that with the other boards where they have the rent guidelines, it's not a hard and fast control. I'm sure that the President of the Treasury Board is aware of that because we checked with them. They can pass them on if there are extraordinary increases in municipal taxes and charges in utilities. They can apply to pass that on. If they have capital expenditures such as roof replacement, they can pass that on. Operating costs related to security services: they can pass that on. Perhaps if you had the guidelines, that would be something, then, that the – what did we

call it? – landlord tenancy dispute act mechanism could be involved in.

Again, the problem that I have, mainly, with this amendment is that we all recognize that we have to put more supply out there, and I think we can all agree on that in the House. How we do it is a combination of ways, but one year is not going to do it because there's at least a two-year lead. Everybody told us that in the housing task force, that it would be at the minimum two years to have significant impact in terms of supply. So I would say that with one year we wouldn't even be there, and then if all of a sudden we pull it off with that sunset, it could make it worse. It could absolutely make it worse.

So my problem is not so much with the 10. By the time they pass that on – I don't know. The problem is the one year. If you see that there is, frankly, a need for guidelines – obviously we on this side do; obviously the other side doesn't – then we have to at least do it for the two-year period because the two years is a minimum, the absolute minimum time that it would actually take to bring some housing on. So with one year, regardless of what we do with CPI at 2 or 10, I would suggest that at the end of that, with the sunset of April 23, we wouldn't have any more supply on at that particular time. If we pull it off, I think that then the rents will even rise higher in that second period. The 10 per cent would be temporary help for people, but the following year, if you pull it off with the sunset, it would be even worse. I think that for that reason, Mr. Chairman, at least from this side, we could not support it.

I just want to stress – and I'll be short here. I might lose my voice here eventually. [interjections] I thought that would get a good reaction, Mr. Chairman.

You know, again, in an ideal world we don't need them. I think we all agree on that. But the fact that Ontario has had it for 15 years – and I'm not suggesting that. The stats just came out. We got them from Canada Mortgage and Housing. They have investment in new rental units: 3,848 new starts from 2,045 in 2000. That's an 88 per cent increase. We've had condo increases in the market when we see that expanding. It's condos; it's not rental units. In contrast, Alberta, with no rent increase guidelines, has seen a drop in new rentals by 52 per cent. Now, mind you, condo starts in Alberta have jumped from 6,214 in 2000 to 10,210 in 2005. That's about a 40 per cent increase. So, you know, that's fine. I have no problems with that, but that's still not building rental units for the people . . .

Mr. Snelgrove: They could be rental condos.

Mr. Martin: Yeah, but they're not building the rental units for the people that we're talking about. That's the point.

As the minister is well aware, the prices of condos have shot up like everything else, so there's a growing group that can't even begin to hope to buy or to own condos, and I talked about that group earlier on. You know, then we have the condo conversions. I know we're trying to deal with it here. It's interesting that when condos are put over and then rented out, there's a 30 per cent increase in condo conversions right away. Now, hopefully what we're doing in that part of the bill will have some impact on that, at least for a year.

But the point that I'd make, Mr. Chairman, is that without some sort of protection in this temporary, crazy market that we're in – and I would suggest that it has to be longer than one year because I think that one year would make it worse for the second year.

With the task force it was a compromise. We talked about two years, and that seems to be the minimum time we were told that it will take to bring significant building into the market. So for that reason, Mr. Chairman, we would not support this amendment.

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

Mr. Eggen: Thanks, Mr. Chair. I, too, would like to echo my colleague's reservations about this particular amendment, albeit somewhat reluctantly on my part because, you know, I still hang on to some slim hope that we can enter this long evening, that we've all invested a fair bit of time on, in the spirit of negotiation. So if I was to see someone biting onto some point where we could define what is a reasonable or unreasonable increase – and I think that comes down to the crux of what we've been trying to talk about here. We've cajoled and joked and bantered and yelled a little bit, yet the government, which, of course, has the majority, is unwilling to say what is unreasonable. Until we can define that, I think that we're just dancing around this issue. As I've said before, Bill 34 provides a framework that only goes to the initial problem that's occurred here and is not resolving the problem.

You know, there are just so many thousands of people that are asking and hoping that we do come up with something that resembles a solution, defining what is a reasonable or unreasonable increase in somebody's rent. So, you know, in the spirit of that, certainly if I saw some signs of life opposite with any of these amendments – and this one has its problems certainly.

I can see, for example, that without the provision of the cost of living, the CPI provision – of course, we're not entirely sure where that inflationary number is going to go here in Alberta during the course of this next calendar year because we have this unprecedented growth that is creating inflation in some regions of the province, which, I would suggest, approaches over 6 and a half per cent. So that would cut into the functioning of this amendment, you know, to allow a provision for a reasonable return for the landlord, and that would be a problem, I think, that we would have to fix on this.

Of course, let's remember as well – and we've said this again – that we've put in a mechanism within the statutes or the regulations of this bill and through the landlord and tenants act, I suppose, too, that would in fact allow for someone to bring forward a reasonable case why rents should exceed whatever guideline we eventually come to. I truly believe, although we seem to have hit sort of a roadblock now, that eventually we are going to be doing this. We are going to be putting a guideline in place, and of course whatever that guideline happens to be, whatever that number emerges to be, there will be a provision for extenuating circumstances.

So, you know, if a landlord deems it necessary to exceed the guideline, then that's fine too. This is not something we're putting in that's going to change the course of the relationship between landlords and tenants in any fundamental way. How the market is supposed to work is that you come to an agreement that is reasonable to both parties. I mean, that's how the deal usually works, and that does not apply just to rent but to all sorts of contractual agreements.

6:30

The situation that we have now, Mr. Chair, is that the tenants are at a decided disadvantage in making an agreement to which both parties can truly agree. It's more like you need that thing so bad – that is, a roof over your head – that, of course, you are kind of forced into perhaps an unreasonable increase for the sake of having that roof over your head for yourself and your family. So that's the distortion that I'm sure most people in this room do recognize. You don't want to force people into contractual agreements that put undue stress and strain on one's budget and perhaps create distortions and problems in other areas that you're obliged to pay for to make ends meet. Your food and your fuel and education or even

health concerns: all of these things have to perhaps be looked at a second time if your budget is suddenly hit with a giant rental increase.

So that's what we're dealing with. It's a very practical concern. It's not as though we are trying to impose the will of some foreign or alien ideology on the province of Alberta. I think that the voice of reason should prevail; that is, that we make sure that everybody has a roof over their head in some reasonable way that's affordable to the income that they have. You know, most people are working very hard in this province to enjoy the fruits of their labour, and we should presume that and encourage that to continue to be the case.

Specific to this amendment that we've had here, I do have some problems with the cost-of-living index not being built into it and the short duration of its mandate. As I said before, if you're doing a little bit of fishing and you haven't caught anything all day and you get a nibble, then perhaps, you know, that's a good thing. So if I saw any sign of life from opposite, I would be certainly interested in reconsidering my reservations that I have about this particular amendment. Is it A4, or is it A5? I can't remember.

Mr. Chase: A3.

Mr. Eggen: Amendment A3, there you go.

Giving it some concern, but certainly as I say, if we saw signs of life from opposite, we would be willing to take a look. Thanks so much, Mr. Chair, and I look forward to the continuation of the debate on this fine morning.

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

Mr. Chase: Thank you. The government's current Bill 34 legislation rolls the timing of the placement of the bill back to April 24. Today is May 10.

Mr. R. Miller: Actually, it's May 9 still.

Mr. Chase: Oh, well, according to the transcript it's May 9 in this fantasy warp that we're currently in.

What we're trying to accomplish with this one-year sunset clause – another phrase we could use is trial run – is to protect people for that year, get the start-up of the affordable housing going with a variety of different forms of subsidies, incentives, philanthropic contributions. There is a whole variety of things that lead to housing taking place.

The intention of the Liberal amendment was that on April 24 in the Legislature – the timeline ran out on April 23 – we review: has this worked? We debate it in the House: was this a good suggestion? Did it accomplish the goals? Was there a significant number of new houses built, et cetera, et cetera? And if necessary, through the legislative, democratic debate process we could set the next time frame. I would suggest, as the very first amendment noted, that possibly at that point we'd go for another year, but what we wouldn't do is guarantee that there would be some form of rent manipulation into the distant future. We'd deal with it one year at a time, but in so doing, we'd provide stability and predictability for, as I indicated before, the landlord and for the renter. It would give us a chance to test out what is somewhat hypothetical and theoretical. But we would apply a number, and that's the difference between this amendment and Bill 34. Bill 34 simply says that any number is acceptable as long as that increase is just once a year. Here we define it. We experiment with it. We have a mechanism where we can bring it in again the following year if it worked or amend it, change it. But we've got a template, and that's what A3 is trying to provide.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie, followed by Cardston-Taber-Warner.

Mr. Agnihotri: Thank you, Mr. Chairman. I'm pleased to rise and speak in support of amendment A3, moved by my colleague from Edmonton-Glenora, that Bill 34, Tenancies Statutes Amendment Act, 2007, be amended in section 1(4)(b), by adding the following after the proposed subsection (8):

(9) No increase in rent payable under a residential tenancy agreement shall be greater than 10% for the period April 24, 2007 to April 23, 2008.

It's one year's time.

Mr. Chairman, one of the options that must be discussed in this debate, in any debate on affordable housing is the issue of rent control until an adequate supply of affordable housing is built to increase supply and lower demand. The Alberta housing market is currently experiencing a massive boom due to population increase, wage increases, and the exploding oil sector. The result of this is that the demand for housing is skyrocketing, but the supply cannot keep up. This is having an effect on the rental market as less rental units are being built and existing rental units are being converted to high-end condominiums. The reality is that there is more money to be made selling houses and condos than there is in renting or being a landlord of a rental property.

In Calgary, Mr. Chairman, the rental vacancy rate as of February 2006, according to the Canada Mortgage and Housing Corporation, CMHC, was 1.6 per cent, well below the average across Canada of 2.7 per cent. Edmonton was at approximately 4.5 per cent. This rate has fallen since then and appears to be heading towards a zero vacancy rate. This situation is primarily affecting the two major metropolitan areas, Calgary and Edmonton.

There is a precedent. That was undertaken by the government in the 1970s to deal with almost the exact same situation. A temporary period of rent control was initiated in order to implement temporary measures to deal with the extremely low vacancy rates. The Temporary Rent Regulation Measures Act was introduced in the Legislature on December 10, 1975, by the minister of consumer and corporate affairs. This was in response to the anti-inflation program instituted by the federal government in Bill C-73, effective October 14, '75.

This program, Mr. Chairman, made the following reference to the rents: the provincial governments are being asked to undertake responsibility for implementing a program of rent control based upon the following principle, that increases up to a certain percentage would be permissible, that increasing above this percentage must be justified on the basis of increased costs, that new structures where rents have not yet been established would be exempt from control for at least five years after the completion of the building in the event that rent controls should be in effect for that length of time; this is to ensure an adequate incentive for the construction of new rental accommodation.

6:40

The provincial Temporary Rent Regulation Measures Act was brought in in response to this. The provincial government concluded that so long as incomes are controlled under the federal bill, then rental increases must be controlled and that while acknowledging that the free market system had served Alberta well in the case of rental units, it would be very difficult for the market system to effectively control rents until there was an excess supply of rental accommodation. The TRRM Act, Temporary Rent Regulation Measures Act, was temporary, was retroactive to a certain date, would cover the unit and not the tenant, and would exclude new construction. The rent control would be limited to approximately 18

months unless subsequent conditions warranted an extension. Mr. Chairman, a temporary rent control initiative could be implemented for a defined period of time until the rental market supply catches up to the demand.

As I said before, you know, we've always believed in a balanced approach, and 10 per cent is a very reasonable amount for both parties, landlords and tenants. It's very reasonable. That's the reason that we support this amendment.

Thank you very much, sir.

The Deputy Chair: Hon members, just before I recognize the Member for Cardston-Taber-Warner, I just want to acknowledge and recognize everyone who has been up all night long and has worked very, very hard and stayed awake. We are going to continue working until the business is finished. I thank you so very much, every one of you.

The hon. Member for Cardston-Taber-Warner.

Mr. Hinman: Thank you, Mr. Chairman. Once again I feel compelled to stand and speak to amendment A3. There's no question in my mind of the sincerity of the hon. Member for Edmonton-Glenora in his desire to come up with what they want to say is a compromise in order to try and solve the shortage of rental units here in the province. I feel that we're trying to – what would I say? – get over this bump in the road when in fact we want to say that there is no bump in the road, and the crevice is perhaps greater than we can leap. But the question that's been brought up, you know, is: define "gouging" or define "fair." I think that therein lies the problem. You can't define either one of those in a free and democratic society because everybody has a different idea of what is fair and what is gouging.

I can't help but go back to the debate earlier this year about the gouging of bank machines in what they are charging for people to use them. It's a totally free option to go to a bank machine that isn't part of your group and to pay an exorbitant price of \$2 or \$3 or \$5 to pull out a \$20 bill, yet that person wants to complain about being gouged and wants to put in restrictions to stop that. It's the same as a person who seems to think there's no problem, though, to go and pay \$5 for a cup of coffee when he might be able to make it at home for 50 cents. For some reason they have their freedom to go and choose and to buy that cup of coffee. With rent we're definitely not talking about those options. It's a much more critical issue for someone who's living in those rental units and being faced with these huge increases, but it goes back to the basic question: is it or is it not government's responsibility to intervene and to put in parameters on what is fair and what is gouging?

So I really have to speak strongly against this again in that we're breaching the principle of what is the responsibility of government and the supposedly divine wisdom that we as a collective whole seem to be able to receive all of a sudden because we're legislators over the common person out there, who's counting on us to bring forth responsible and good and equitable laws for each individual.

In my younger years and perhaps having a foul mouth and my mother saying what was and wasn't acceptable, you know, that you need to be clean at all times and not use such language – she would set what was and wasn't acceptable. But I always wanted to debate and argue about things, you know: "Well, this is just a little bit. It's okay to do this. Maybe it's okay to cheat a little bit on your homework or something else." My mother was always: "No. It's black and white. You do what's right, or you don't." So she had a demonstration one time when we came home. She made very good brownies, and everybody wanted to come home and always eat them. The one time when we came home, she said: "Well, you

know, the cat jumped up and made a little deposit in here, but I cooked it up anyways. It tastes very good, and you can't tell that there's any contaminant or anything wrong with this, so go ahead and eat it." Then she says: "I made two batches because I knew that some of you would be finicky and others not, but now I can't remember which batch it is." That set of brownies stayed on the counter the whole week because nobody wanted to touch it. It's the same with this situation. Once we step in there, there is no coming back. We've disturbed the market. The question always is: is or is not the government going to come in? At what point are they going to come in?

I talked earlier about the gouging incidents with the generators going to an emergency situation. I absolutely and I think everybody absolutely understands the importance and the struggle that people are having in trying to stay in their homes, but to try and define what is going to be fair and what is not going to be fair is not going to be accomplished. We need to accept the fact that it isn't government's responsibility to step in and put parameters on the rental units and say that this is the right amount. I mean, we have all kinds of exceptions when something happens, where the rental units can go up, but what if they're in a situation just like the common problem with energy, that could spike through the roof and go beyond the 10 per cent? We just seem to be the dog chasing the tail here when trying to come up with these parameters when the fact of the matter is that we shouldn't be setting any parameters because as soon as we've done that, we've crossed the line on what is ethical and what isn't ethical for government to do.

So I need to vote against this amendment A3 in that it is not in the best interest for the long term. Yes, short term it has the possibility to interrupt the market and to give some stability for a year, but short term is not going to address it. It's going to be short-term gain, long-term pain, and nobody wants more pain than we already have. That's what this will do in all likelihood: magnify the problem and come back to haunt us. Like I say, once you've stepped in and become the referee, become the judge, when do you step back? People are now expecting it, saying: "Oh, it's going to be regulated. We don't need to worry about it anymore." Those regulations will continue to haunt our economy, haunt the people, haunt the investors who want to go forward and start doing something. The fact of the matter is that we're like the individual that's a hundred pounds overweight, been smoking for 20 years. We're on the doctor's table there and saying: make me better tomorrow.

6:50

This is not a quick fix. There is no such thing as a quick fix. I have to ask the question: if the government is all knowledgeable and somehow has this collective wisdom to be able to figure it out, and let's say we need 11,000 new units put up for rental – I don't know. If we want to use \$150,000 a rental, it's going to cost \$1.61 billion. If it's \$200,000 a unit, it's going to cost us \$2.2 billion. So do we go to the people of Alberta and say that we're going to step in, that we're going to fix this problem to ensure that the people that don't have a place to stay have a guaranteed rental unit, and raise our taxes from a flat tax of 10 per cent to 12 or 13 per cent and then say that things are well and fine? It sends up the flag: keep coming to Alberta. We're going to keep taxing the people, and we'll build the homes, and we'll get back to the position that many members have referred to earlier.

[Dr. Brown in the chair]

The best example, though, is Fort McMurray-Wood Buffalo and the home problem there. The economy can turn around, and we're

caught on the wrong side, and then how do we go back to the taxpayers and say, "Well, you know, we've built all these homes. I don't know why people don't want to be here"? Taxes are no longer an advantage to be in the province. We have to work longer hours to do all these things. The bottom line is that we don't have a right to go to the people and tax them because collectively we think that we can solve the housing problems, build a whole bunch of units and have a place for these people to go with a guaranteed rental price.

With that, Mr. Chairman, I'll sit down and let the discussion continue on this. Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. It's again a pleasure to have the opportunity to try to convince hon. members of this Assembly to take another look at rent stabilization in this form. Certainly, whenever you follow the business of this province in the last few weeks, you can see where there's a need. I think the hon. member has brought forward a very good amendment again. This would limit rent increases to 10 per cent for a period of one year, and of course, as he articulated, it's part of the Official Opposition's comprehensive housing platform.

We've been discussing for quite a few hours now the reasons why we got into this dilemma, this crisis. Certainly, we will have time to discuss that even further, I hope, but when we look at stabilizing rent increases, dramatic increases, through this amendment, Mr. Chairman, I think one of the options that must be discussed in any debate on affordable housing is the issue of how rent controls could work.

Now, in this case rent controls would help until an adequate supply of affordable housing is built to increase supply and lower demand. Earlier we saw in the comparison between 2004 and 2006 just how unaffordable housing has become for Albertans. This is in the budget documents from the government. You only have to look from the fiscal plan that was tabled with the budget to the fiscal plan of 2005 for the 2004 year to clearly see that we have gone from the jurisdiction with the most affordable housing to the one that's right next to British Columbia, that has the highest costs in the land. So when those costs are that high and people can no longer afford to purchase a home, of course they're going to be in the rental market, and this increases the demand.

Now, if we were to adopt this proposed amendment, it would give us time, and that's what we need. Alberta's housing market, as we all know, is currently experiencing a massive boom due to population increases as a result of a very active energy sector. The result of this is that the demand for housing is increasing dramatically, but the supply at this time is not keeping up. Whenever you look at the rental market, as less rental units are being built and existing rental units are being converted to high-end condominiums, we have a significant problem. This was apparently not forecast or foreseen by anyone on the government side. Certainly, our Member for Calgary-Currie was very active in the last number of months, almost for a calendar year, Mr. Chairman, in developing our affordable housing policy for Alberta. And if I had known when we were having discussions last summer that this spring we would see people with \$200 and \$300 and \$400 and \$500 rent increases, I would have urged the government to sit down with the hon. Member for Calgary-Currie, take his ideas, and run with them because I'm confident that they're better suited to our needs right now than this bill. Again, the hon. Member for Edmonton-Glenora is to be commended and thanked for bringing forward this amendment to Bill 34.

Now, the reality, Mr. Chairman, is that there is more money to be made selling houses and condos than there is in renting or being a

landlord of a rental property. Currently in Calgary the rental vacancy rate – and this is as of February of last year – according to CMHC, was 1.6 per cent, well below the average across Canada, which was 2.7 per cent. Edmonton was slightly different. But this rate has fallen since, and we're virtually at a zero vacancy rate. This situation is primarily affecting the two major metropolitan areas of Calgary and Edmonton.

There was an undertaking by the government in the 1970s to deal with almost the exact same situation. A temporary period of rent controls was initiated in order to implement temporary measures to deal with the extremely low vacancy rate. It was done then, and this amendment would go a long way towards doing that now. The introduction of these rent controls through the Temporary Rent Regulation Measures Act – this act was introduced, it is interesting to note, in the Legislature on December 10, 1975, by the minister of consumer and corporate affairs. This was in response to the anti-inflation program initiated by the federal government in Bill C-73, effective October 14, 1975.

Now, it is interesting that this is the same Progressive Conservative government, the same one who this evening or tonight or this morning told us that ideologically they're opposed to any sort of rent control or any program to stabilize the dramatic rent increases, that it can't be done; it can't be done. But their fathers and their mothers, if I could say, in the Conservative party did the exact same thing. They did it, and it is interesting to note that the provincial governments are being asked to undertake responsibility for implementing a program of rent control based on the following ideas.

7:00

Increases up to a certain percentage would be permissible. This is certainly in effect in amendment A3. Increases above this percentage must be justified on the basis of increased costs. Perhaps this is where the hon. Member for Edmonton-Calder has reluctance to support this amendment, but hopefully I can persuade him to change his mind.

New structures or rents that have not yet been established would be exempt from control for at least five years after completion of the building in the event that rent controls should be in effect at that length of time. I don't think we would need rent controls for five years. I certainly hope not. This was done to ensure an adequate incentive for construction for new rental accommodation. We talked about that earlier this evening.

The government at the time, the same Progressive Conservative Party, brought this act in in response to a rental crisis. Now, the provincial government then concluded that so long as incomes are controlled under the federal bill, then rental increases must also be controlled. While acknowledging that the free market system had served the province well in the case of rental units, it would be very difficult for the market system to effectively control rents until there was an excess supply of rental accommodation. The act was temporary. It was retroactive to a certain date. It would cover the unit and not the tenant and would exclude new construction. The rent control would be limited to 18 months unless subsequent conditions warranted an extension.

A temporary rent control initiative could be implemented for a defined period of time until the rental market supply catches up with demand. This is exactly what is being proposed in A3. This is certainly, Mr. Chairman, along the same lines as what was done in 1975. There are some differences. But I think as we discuss this bill line by line, detail by detail, section by section in committee, all hon. members will see that what is being proposed to change Bill 34, not only with this amendment but with others that have been drafted, would be along the same lines as what was implemented in 1975.

I talked earlier about the work that the hon. Member for Calgary-Currie has done in response to the growing crisis in affordable housing. It's affordable housing not only for clients of SFI or AISH but also for hardworking Alberta families who are, unfortunately, at the end of some months coming home and seeing that dreaded slip of paper under their door where their apartment rent is going up. The apartment rents, unfortunately, are going up more than wages or take-home pay.

Now, I realize that this government was sort of paralyzed due to the leadership race, but through the good work of the Member for Calgary-Currie and others in the caucus the Alberta Official Opposition caucus promised and delivered an affordable housing policy. While the government here was choosing a new leader, we were choosing an affordable housing policy. The guiding principles of our policy are based on the fact that every Albertan needs a home. An effective government uses the legislative tools and financial resources at its disposal to make it easier for builders and communities to create affordable housing and, again, for Albertans to find a home. Good solutions balance the rights and responsibilities of renters and landlords, encourage home ownership, and empower municipalities.

I will remind you of the fellow who peddles through my neighbourhood about this time of the day on his bicycle with his bedroll on the back frame, strapped on there with a bungee cord. We've got to stop that. Whenever people in the neighbourhood see him going by, they refer to it as a Stelmach suite. We've got to work very hard.

Mr. Snelgrove: I think we outlawed bungee cords, didn't we?

Mr. MacDonald: No. Usually, if you keep your eye open, hon. minister of the Treasury Board, you can find bungee cords along the road, but you're probably driving too fast to get stopped in time to get it.

Now, our housing strategy would create 10,000 units of affordable housing in five years. It would ensure that Albertans who need it have access to safe and affordable housing, and we would protect tenants from rent gouging while respecting landlords. I think this is the intent of amendment A3. We have to make home ownership more affordable for Albertans.

We need to change Bill 34. I know the government has worked fast. I know they realize now that they never did have a plan for the last five years, and Bill 34 is a poor excuse for a plan. This amendment is essentially, Mr. Chairman, instituting a one-time, one-year-long temporary rent regulation that would limit rent increases to a maximum 10 per cent. I believe this is a balanced approach that provides stability certainly for renters, but it also allows landlords and owners to increase rents in order to offset any increased costs they may be facing. We've all got to realize that landlords have taxes to pay. They have maintenance to do. Some of them have clear title on their properties. Others would have mortgages to pay, of course. Our policy, in my view, and this amendment is about balance.

[Mr. Marz in the chair]

Now, certainly we know that after the government selected a new leader, we received through the mail ourselves on our side of the House the mandate letters that the Premier sent to all his new ministers. For the Minister of Municipal Affairs and Housing, the mandate letter on the housing file was to establish this housing task force to develop a plan to increase the availability of affordable housing. Well, I made a presentation to that task force, and in that presentation I was hoping that the government would free up a lot of

the land that they have. Some of this land they deem to be surplus. This land, particularly around the ring roads in Edmonton and Calgary, was purchased 25, 28 years ago and is now deemed surplus. Some of this land could be used for affordable housing initiatives.

In Fort McMurray and Grande Prairie the same thing would apply. It's interesting to note that there was one initiative at Four Mile Corner in the county of Grande Prairie No. 1 where a considerable parcel of land was sold for a dollar. A dollar. But in the city of Grande Prairie the government didn't sell the city a parcel of land for a dollar. No, they sold it to them for significantly more. It was a smaller parcel, but on a per-acre basis I think it was around \$80,000. I could stand corrected.

Fort McMurray also has a housing crisis. This is why I thought, Mr. Chairman, that we would be generous with the organizations that are willing to build affordable housing units. The *Alberta Gazette* indicates that the government is very generous with some individuals and corporations in regards to land. In the last session we had significant discussion around some of the dollar deals and some of the land that exchanged hands around the ring roads, prime development land that was sold for very little money. The taxpayers purchased this land, as I said, sometimes 20, 25, 27 years previously for millions of dollars.

7:10

So I went to the housing task force. I sat patiently waiting my turn, and I was listening to people from all over the city, all over northern Alberta, making presentations and doing a very good job of it. They were making passionate, eloquent presentations to the task force as to why we need at this time significant investment in affordable housing.

Now, when you look at Fort McMurray and what has happened over that period of time, how would the citizens of Fort McMurray feel this morning about having the knowledge that they could count, in the next calendar year essentially, that rental increases would be capped at 10 per cent? We can see just from the Report of the Auditor General on Alberta Social Housing Corporation – Land Sales Systems, of October 2005, that this government was essentially asleep at the switch. This crisis that we're facing now is in direct response to inaction and a lack of a plan.

In the summary here at the front, Mr. Chairman, the Alberta Social Housing Corporation could not demonstrate that it met its objectives for four of nine land sales. The public offer process was used for six of nine sales. There was no independent review and challenge of sales. There were also questions, and I'm quoting here: "The public has questioned whether there was interference by the MLA for Fort McMurray-Wood Buffalo in one land sale."

Now, there are a lot of issues to be discussed here.

The Chair: Sorry. Your time has elapsed, hon. member.

Mr. MacDonald: I'm disappointed in that. Thank you, Mr. Chairman.

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

Mr. Mason: Thank you very much, Mr. Chairman. I'm really, really excited about rising to speak to the amendment. We are on the third one, are we, Mr. Chairman? Okay. Yes, that's great. I'm glad that we're at A3. You know, I do want to indicate that I really have enjoyed the debate so far and have learned a great deal both from members on this side and, indeed, from the side opposite as well.

Mr. Chairman, the whole question that we have before us really

is: what temporary or bridging measures can we take to protect tenants until some stability is restored in the market? That's the basic question that we have before us. The government has put forward a bill, Bill 34, which they claim will provide rent stability. By stability what they mean is that there will be a long period of time, a long notice period for rent increases that may be desired by a landlord and, in fact, a limit on the number per year, which is one per year. I just want to indicate that, you know, to call that stability is not right because it's not really providing the kind of stability that people need. What people need is not a timing of massive increases but actually some moderation of massive increases, and that will give people some stability.

What the government is really proposing is simply a time to move. That's what it amounts to, Mr. Chairman. That's what this government is offering renters in this province: time to move, no protection from rent increases at all. You simply are given enough warning that, hopefully, you can pack up your belongings and find another place to live.

The real question, though, that the government hasn't dealt with is: where do they go? Where do they go? If they're raising rents in constituencies in parts of Edmonton or Calgary where rents have been low, then there's not any place for those people to go because there are no low rents left. They take the area of low rents and they raise them quite a bit higher, and of course the places that have moderate and high rents are seeing rent increases as well, so there's nothing left for the people. They essentially are being evicted except they get a year's warning. That's the flaw. That's really the flaw in the government's approach, and that's why it doesn't amount to real protection or real stability for renters.

As I've indicated earlier, Mr. Chairman, the rental companies are quite aware of the opportunity that they have before them thanks largely to this government. It's not an accident that the Boardwalk Real Estate Investment Trust annual report is called Opportunity Knocks. Opportunity is certainly knocking for Boardwalk and, similarly, for other large housing and rental trust companies and corporations as well. It's interesting that when the people of Boardwalk are talking to their tenants, they are clearly saying that it is possible to predict fairly accurately what the market is going to do and how it's going to affect rents and, therefore, the revenues.

Here's what they say about that, Mr. Chairman: "Unlike the volatile energy market our industry's driving forces are relatively calculable and consistent." You would have to assume that if they're calculable and consistent for this company, they are calculable and consistent for the government and its Department of Municipal Affairs and Housing, whatever the department was before it was rearranged, which should have been able to predict this. Obviously, the government has the resources and should have been able to predict this, and it ought to form part of the government's planning. But I forgot that the former Premier, Mr. Klein, indicated on his way out that there wasn't any planning, so I just misspoke on that point.

If you look at the Boardwalk report, they go on to say, "As demand fundamentals continue to be strong and supply stays relatively low, Boardwalk remains well positioned for the future." They also say, "Our market fundamentals are based on simple supply and demand forces which are fairly easily predicted." What they go on to say is that "rental starts have fallen, particular in Edmonton, which will contribute to a further tightening of the market through 2007 as demand exceeds supply." Mr. Chairman, clearly the rental market is going to tighten, and rents are going to continue to rise in this province for a long time before they fall.

Now, the amendment that has been put forward by the hon. Member for Edmonton-Glenora says that "no increase in rent

payable under a residential tenancy agreement shall be greater than 10% for the period April 24, 2007 to April 23, 2008.” In other words, the proposal here is consistent with the information that I did find on the Liberal website, which is to permit a 10 per cent increase in a period of one year and to limit the restriction on rental increases to one year. It’s a one-time only according to the website, not to be repeated. It’s not per year; it’s just that one year. Then it lapses, and you go back to the market. That’s certainly what the website says. What I understand this to say is between April 24, ’07, and April 23, ’08, so a one-year period, and then it lapses.

7:20

Now, I don’t have so much of a problem with 10 per cent. Our proposal was CPI plus 2 per cent, and I think that that would be in the range of 6 or 7 per cent, somewhere in there. So this allows a bit bigger rental increase than the NDP’s proposal or the housing task force’s proposal. I won’t make a big deal about what’s a slightly larger increase for landlords than we had in mind. The difficulty I have with this, Mr. Chairman, really, is the one year because the government has said that it’s going to take at least two years to bring on new housing. If we freeze it for a year and then unfreeze it – I shouldn’t say freeze. If we freeze it plus 10 per cent or only allow a 10 per cent increase over a period of one year and then remove it, we won’t yet have the new housing on the market, and that, I think, is a flaw in the proposal.

So we’ll be returning to a dysfunctional market. We’ll be returning to a market in which demand far exceeds supply, and I think that that’s the difficulty with this. I don’t think that there’s a fundamental problem with the intent here. It’s clearly an attempt, I think, to try and force the government to put forward some more meaningful legislation and actually tackle the issues that are facing our tenants today and the challenges facing renters.

Let’s not forget, Mr. Chairman, that the government has not defined gouging. I have to assume that that’s because they don’t want to define gouging. If they actually defined it and they nailed it down, then they’d have to do something about it. So the Premier would like to talk about gouging as an abstract concept – it’s bad; it’s un-Albertan – but he won’t define it because if he did, there would be no excuse for not dealing with it in legislation and prohibiting the practice. The government doesn’t want to do that. They’ve made it perfectly clear that as far as they’re concerned, when it comes to gouging, they’re only prepared to talk about it. They’re not prepared to do anything about it because if they were, they’d pass this amendment, or they would have passed one of the other previous amendments. They’re clearly not prepared to do that.

Mr. Chairman, we have to say that in this entire debate one of the things that we’ve heard clearly all night long despite the Premier’s words about sending the Minister of Municipal Affairs and Housing down to talk to the bad landlords – in fact, they don’t really want to deal with gouging. They’re going to permit it to take place as a policy. That’s the policy of this government: gouging is okay from landlords. It’s similar to the position of the hon. Member for Cardston-Taber-Warner, who believes that government’s role is primarily to prevent pillaging and looting but that gouging is okay.

Mr. Martin: Plundering.

Mr. Mason: Plundering, not pillaging. I apologize to the hon. member.

So that’s also the position of the government in a nutshell, isn’t it? It is. Their position in a nutshell is simply to say: you know, gouging is all right; plundering, maybe not. That’s not good enough. That doesn’t meet the needs of people in this province. It’s not just

a handful of people. There may be a handful of really extreme cases, and there are lots of people that are seriously disadvantaged and vulnerable that are put in this position. But let’s not also forget that there are hundreds of thousands of renters. There are middle-class working families, there are seniors, and there are students.

I haven’t heard one thing yet in this whole debate – well, I have heard it in the debate but not from the government – about what they’re going to do when the students arrive in September. They’re already facing rent increases, and when they arrive at postsecondary institutions this September looking for a place to live so that they can go to school, there’s going to be a profound crisis that the government hasn’t even talked about yet. I want to just indicate to them that that’s something they should starting thinking about right now because if they don’t, they’re going to have an even bigger mess on their hands. People are going to be forced to interrupt their education because of the lack of foresight on the part of the government.

Mr. Chairman, I just want to indicate with respect to this particular amendment that I appreciate its intent. I think it would be a step forward with respect to what the government has proposed. But because of the one year, I don’t think we can support it because I think that when the year is up, the new housing won’t be built. As a result, it’s not going to fit the bill as far as we’re concerned, but we appreciate the amendment, and we appreciate the spirit in which it is given. Clearly, some attempt to improve on this government’s dismal approach to the rental crisis has to be applauded by all Albertans.

Thanks very much, Mr. Chairman.

[The voice vote indicated that the motion on amendment A3 lost]

[Several members rose calling for a division. The division bell was rung at 7:29 a.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Marz in the chair]

For the motion:

Agnihotri	Elsalhy	Pastoor
Blakeman	Miller, B.	Swann
Chase	Miller, R.	Tougas

7:40

Against the motion:

Ady	Evans	Martin
Brown	Groeneveld	Mason
Cao	Hancock	Melchin
Cardinal	Hinman	Mitzel
Cenaiko	Jablonski	Prins
Coutts	Johnston	Snelgrove
DeLong	Liepert	Stevens
Doerksen	Lindsay	Webber
Eggen	Lougheed	Zwozdesky

Totals:	For – 9	Against – 27
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[Motion on amendment A3 lost]

The Chair: Are there any other comments, questions? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. I, too, have an amendment, that is at the table. If we could get it distributed.

The Chair: We will call this amendment A4. Does everyone have their copy?

Okay. You may proceed, hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you, Mr. Chairman. I will recognize the pages that have been with us for most of the night and the security people that have spelled us off, who have been pressed into duty delivering all of the various amendments we've dealt with over this night.

The amendment that I am proposing here is essentially the same thing in two different sections. What I'm looking to do is raise the fines portion in both sections: in 1(5)(b), increasing it from \$5,000 to \$10,000. That is the section that's dealing with condo conversions. The second is section 2(5)(a), which is essentially the section around the mobile homes, where their land would be sold for development, so a very similar situation.

This section of the Residential Tenancies Act is to deal with notice, particularly for the condominium conversions. Its intention is to provide a mechanism that is punitive in nature. It's meant to be a warning. It's meant to be a punishment for not conforming with the legislation, that requires a one-year notification period when you take a rental unit and convert it to a condominium or if you undertake a major renovation. People are being evicted from a rental accommodation to make way for either a major renovation but in most cases for a condo conversion. It just struck me when I looked at this in the bill that \$5,000 was really not a very high amount of money, especially when we're dealing with the number of condo conversions that we're experiencing, I would argue, in most of the urban areas these days but also the amounts of money that are involved. I dug up a couple of figures. According to the Calgary Real Estate Board in August of '06 a condo was selling in Calgary for the average price of about \$275,500. In March of 2007, so not even a year later, the average price, again in Calgary, was \$301,777, so a significant increase in even less than a year. I think that if we went back and looked now, there would probably be another difference, even in the five or six weeks that have passed. So this figure is clearly going to increase.

It just struck me that what we were dealing with here for a number of landlords is essentially the cost of doing business. Five thousand dollars tacked onto a condo conversion unit, you know, doesn't seem like too much, and frankly it's probably going to get passed along to the purchaser. It would just get rolled into the price, so it really wasn't much of a deterrent or a punishment for someone who was not taking those notification periods seriously. I thought: well, if we're going to make it more than just the cost of doing business, which I think the \$5,000 amount is, let's make it serious. Let's try and make it more punitive. I find that if you go too far, if you made it \$20,000 a unit or \$100,000 a unit, you have real problems with the courts, with the test for the courts to impose that high a punishment. The courts are very particular, and you find out that the test is too high to be met, and you end up with the punishments not being levied by the courts. I wanted to make sure that this was effective, so I thought that by doubling it, from \$5,000 to \$10,000, you'd nail it. You would actually make it more of a deterrent and less of a cost of doing business, so that's why I've brought forward the amendment that I have.

I think, you know, that if you looked at a number of the apartment buildings that I've got, for example – they are 10 floors, with 10 units on a floor – you're dealing with 100 units there. If you start talking \$10,000 a unit, now you're talking a million dollars if you decide to, you know, stiff people on that notification period. I think that's far more significant, then, and that would eat enough into a profit margin that it would make it worth their while to comply, and that's what I was seeking.

So a pretty straightforward amendment. I hope I can get the support of the government to accept that and to put it in. I think it's fair but firm, and I look forward to support from the Assembly in passing amendment A4.

Thank you.

The Chair: The hon. President of the Treasury Board.

Mr. Snelgrove: Thank you, Mr. Chairman. I can agree with the hon. member. I think the fact is that some of the condo values far exceed what the \$5,000 penalty might be, and I think that to truly send a message that is fair but firm, I could support this amendment.

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

Mr. Hinman: Yes. I, too, would like to rise and speak to this amendment. I think the hon. Member for Edmonton-Centre has been studious in her review of this. I would agree with the \$5,000 that they could recoup almost immediately.

I guess the one thing that I would like to see, though – too often the victim never gets compensation. I don't know if the courts would allow it, but there should almost be that \$10,000 compensation to the victim of the removal. So often it just seems to go into general funds.

Anyway, I too am in favour of this. I would like to see it a little bit higher, but I would trust her judgment. Perhaps the courts wouldn't tolerate that, but it definitely would send a better signal, and I'm pleased to support this amendment.

The Chair: The hon. Member for Calgary-Mountain View, followed by the hon. Member for Edmonton-Highlands-Norwood.

Dr. Swann: Well, thank you, Mr. Chairman. It's good to rise on this Bill 34, the Tenancies Statutes Amendment Act, 2007, amendment. I also stand in support of this amendment. Clearly, we want to send a message to those that would subvert a system that's creating vulnerabilities and stresses and breakdown for people and give them an opportunity to hold accountable those that would try to not only undermine the good laws of the province but also do so in a way that would harm the individuals. So I stand in support of this amendment.

7:50

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

Mr. Mason: Thanks very much, Mr. Chairman. I'm pleased that this amendment has been brought forward. I think the fact that the government after all these long hours of debate has finally seen a glimmer of light is something that encourages me. You know, perhaps the sun shining through the windows up there has served to enlighten. I want to indicate that I appreciate the fact that the motion has been made and that the government has indicated that they're going to support it. I also indicate that we, also, will support this amendment.

The Chair: Are you ready for the question on amendment A4?

Hon. Members: Question.

[Motion on amendment A4 carried]

The Chair: Are there other amendments, comments, or questions pertaining to this? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman. I know that at the table there is a final amendment from the Liberals under the name of my colleague from Edmonton-McClung. I would like to move that amendment on his behalf at this time and have it distributed, please.

The Chair: We will refer to this amendment as amendment A5. We're just going to wait a moment for the pages to distribute the amendment.

It appears that everyone has a copy. You may proceed, hon. member.

Ms Blakeman: Thank you very much. I know that my colleague from Edmonton-McClung feels very strongly about this, and I know that he'll be eager to speak to it. Essentially, the reason behind this amendment is to amend section 1(4) by striking out clause (a) and substituting the following: that in subsection (4) we strike out "since the last increase in rent" and substitute "which shall not be less than 1 year." The point is that this actually embeds what we understand to be the objective into the bill itself. What we've heard is that the government's intention is to have that notice period be one year, but that's actually not stated in the bill. It appears as a regulation, which allows the minister that's designated as responsible for the act under the Government Organization Act to in fact implement that regulation. But it actually does not appear in the bill, which struck us as a bit odd because that's what the point of this bill was: to get that one-year notification period enshrined. In fact, it doesn't actually appear in the bill.

So we thought we would bring it forward and see if we could actually get it written into the bill. This is part of my ongoing point about the difference between writing it in the bill and putting everything into regulation. As I often kid my fellow House leader, this is sort of the Gary Dickson memorial clause because he often raised the point that policy changes should be in legislation and that if they're not in legislation, the regulation should be brought to the floor to be debated by the Legislative Assembly.

That's the situation we have here. This is a policy change from the government. The government says that it wants to see a change in the period of the notification. It is responding to the pressures that we're all experiencing. We have supported the government in that all the way along, but this government does have a propensity to write what I call shell legislation, which essentially creates a situation where everything is about: and the minister can make regulations about. Then there's a long list of what they can make regulations about. That's the situation we have here. We don't actually have the purpose of this bill and the reason that we all got into this and, frankly, the reason we've all spent so much time together in the last 12 hours talking about this bill. It, in fact, does not appear in the legislation.

I think that particularly because we've spent so much time talking about the purpose of the legislation, we feel that it's appropriate to actually write it in. It would then require that the legislation come back before the Assembly if the government were to decide to change that period of time or to renew it in any way, shape, or form. I can understand that the government won't agree to do that because they like the flexibility that they get to be able to change things through an order in council. They can do it at their own time. They can do it without further debate and without a lot of discussion and colour commentary from members of the opposition. But I would think that given the point of this bill it would be helpful to find it in there.

The Speaker has often heard me talk about how difficult it is for members of the public to be able to track what we're doing when it's

not written in the bill, and we are really quite good about getting our legislation really accessible on the website at www.assembly.ab.ca. It's easy to hit that button for bills and motions, print it off, read it online but much, much more difficult to find the regulations. You've got to really know what you're doing. You've got to be regularly checking the *Gazette* or tracking the orders in council as they come out to be able to follow what the government is doing. So it's not easy to find it. It's not easy to watch the timing. It's a lot of effort from the individuals. I think that with this affecting so many people – basically, it affects everybody that rents – it needs to be much more accessible, and I find that accessibility is through the legislation, not through regulations.

I note that my colleague from Edmonton-McClung is ready to speak to this, and I will certainly cede the floor to him. It's his motion, and I know he has some pretty strong feelings about it, but I'm delighted to have had the opportunity to introduce it on his behalf and to urge everyone to please support it.

Thank you.

The Chair: Hon. members, before I recognize the next speaker, the background noise is getting such that it's very difficult to hear the person that has the floor. I recognize that there's a shift change going on, but if we could keep the background noise down, I would appreciate it.

8:00

Mr. Snelgrove: I feel myself strangely overwhelmed because, in fact, what you're intending to do is what we would've intended to do in regulations, which is standard with other provinces. So, Mr. Chairman, the only downside might be that you would have to go back to the act to change if you were to go shorter. My expectation is that a year is a reasonable amount. I would just say this: I could also accept this amendment.

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

Mr. Elsalhy: Thank you, Mr. Chairman. This is indeed a very fruitful and happy day for myself and members from my caucus. It is not frequently that we introduce motions in this House and the government generously or graciously agrees. I'm indeed thrilled and excited to hear this from the hon. minister, and hopefully, you know, this will be the start of great things to come in this House. [interjection] Yes. My hon. colleague from Edmonton-Meadowlark is talking that this might signal a beautiful friendship that will emerge in this House between members from this side of the House and members from that side of the House.

I want to thank, first of all, Mr. Chairman, my hon. colleague from Edmonton-Centre for her assistance, for introducing this amendment A5, and I'm really pleased that the hon. Minister of Service Alberta has agreed to accept it and has signalled his members on this side of the House that they would as well. I thank you for this opportunity. This way we can guarantee at least some degree of, you know, protection for those tenants that we're all trying to protect, Mr. Chairman, and I thank you for that.

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

Mr. Martin: Thank you, Mr. Chairman. All this love is getting to be too much for me. I want the mean old Treasurer back. Just too much love there.

I'm not going to get carried away that this changes the bill in any dramatic way, but at least it's clear. We will certainly support it, but the bill is still not what we want, Mr. Chairman. In fact, one year,

I said in the past, could make it worse in the short run because people could get the big increase for one year instead of over a period of time. But at least it's clear in the act, and we certainly will support it for that reason.

Thank you.

[Motion on amendment A5 carried]

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

Mr. Mason: Thank you very much, Mr. Chairman. You know, when the government starts accepting amendments, it sort of confuses our map. We feel like migratory birds that are going east instead of south.

Perhaps just to restore a note of normalcy to these proceedings, I have another amendment, Mr. Chairman, and I'll ask a page to distribute this.

The Chair: We'll wait a moment to have the amendment distributed to the members.

All the members have copies, so you may proceed, hon. member.

Mr. Mason: Thank you very much, Mr. Chairman. I would move that Bill 34, the Tenancies Statutes Amendment Act, 2007, be amended in section 2(4) by adding the following after the proposed subsection (7):

(8) A landlord shall not increase the rent payable under a residential tenancy agreement by an amount greater than the percentage increase in the Alberta Consumer Price Index published by Statistics Canada for the previous calendar year plus 2%.

Now, Mr. Chairman, I just want to indicate that this has similar wording to a previous amendment that we moved today, today in the legislative sense.

The Chair: It's amending a different section.

Mr. Mason: But it amends a different section.

I just want to indicate to members that we believe that this comes to the basic question that we've been debating all night long, which is that there is no protection for tenants from massive rent increases. There is protection in Bill 34 in terms of giving them some notice. We consider that to be completely inadequate to deal with the present rental crisis, and we are proposing here that guidelines be established similar to the guidelines that were proposed by the Affordable Housing Task Force and something that the NDP opposition has been pushing for nearly a year, and that is that there is a limit on the percentage of increase, guidelines for landlords that allow them an increase of the Alberta consumer price index plus 2 per cent, which we believe is reasonable and which we believe that most tenants can manage.

It's quite unlike the massive rent increases that have been coming forward to MLAs in the last several months of \$500, \$750, or \$1,000 or in some cases even more. We'll be talking later today in question period about a massive rent increase that was received by one of the constituents of the hon. Member for Edmonton-Beverly-Clareview. These kinds of things seem to be creating a considerable problem.

Mr. Chairman, I just want to indicate that what the government has done has not addressed the rental crisis in the short run. They are taking steps to increase the supply of rental units, and that is a good thing. It may not be enough, but at least it's a step in the right direction. What they have not done is provide rent stability for tenants in the period of time that it will take for the new construction to take place, which the government itself has estimated at a minimum of two years.

8:10

What the government has proposed to do, which is require a year's notice of a rent increase and limit it to one per year, will not adequately address this issue. It will simply give individuals who receive a very large rent increase a year to find a new place to live. But the question once again, Mr. Chairman, is: where will they go? As rents are being driven up in lower rent areas in parts of Edmonton and other centres, including Calgary, those people are being forced out of their accommodation, but there's no new accommodation being built. The government says that if we do this, it will prevent new rental accommodation from being built, but the fact remains that there is no rental accommodation that is currently being built in Alberta or none to speak of. Also, what we're proposing will not affect new rental units, so it is not a disincentive to the construction of new rental units.

It's very important, as far as we're concerned in the NDP opposition, that in fact some real protection for tenants be provided. We think this is a temporary measure. It only applies to new housing, and it's a responsible approach to a very serious problem for hundreds of thousands of Alberta families. It's not just a handful of people. It's middle-class and working families with children that live in rental accommodation in this province. It's seniors. It's students. It's a whole range of Albertans, a whole cross-section, a very, very large number of people.

As I've said earlier in the debate, which has gone on for many hours now, Mr. Chairman, the rental companies themselves in their annual reports to their shareholders are predicting a further tightening of the rental market in Edmonton and other centres in Alberta, which means that rents are going to continue to rise, yet the government continues to put its head in the sand and reject proposals that would protect those hundreds of thousands of Albertans who live in rental accommodation.

Mr. Chairman, there's absolutely no reason, in our view, for the government to reject this amendment. This amendment would provide modest protection for tenants on an interim basis. We are prepared to negotiate with the government or to accept any kind of time limit that they suggest. We think two years is a minimum that this should be in place because that's the time that they've given us for the construction of new housing that may affect the rental market. So a minimum of two years would be our preference, but we're prepared to be flexible. The important thing is that there have to be some guidelines to protect tenants in this province. If there are no guidelines, then the gouging is going to continue.

It's unfortunate, Mr. Chairman, that the Premier has talked about gouging as being un-Albertan, but he hasn't backed up his words with action. This gives the government a chance to back up the Premier's words with action. If rent gouging is un-Albertan, then it's the responsibility of the government to step in and provide legal means to stop it. Simply sending the Minister of Municipal Affairs and Housing to have a little chat with a landlord is not a serious approach worthy of a serious government, and it's not a policy that's going to work or is going to be taken seriously by landlords or by tenants. It's not an approach, I think, that really shows that the government is serious about helping renters. If they are serious about helping renters, they'll pass this amendment. They'll set some reasonable time limits. This has always been intended to be temporary protection for tenants, and it's always been intended only to apply to existing units and not to new construction, so it should not in any way interfere with the construction of new units, which, as I've indicated, is not actually occurring right now in Alberta.

Mr. Chairman, I really want to appeal to the government that this is a chance to take some real action that's going to affect and protect hundreds of thousands of Albertans, families right from one end of

the province to the other. Please, I would ask the minister to accept this amendment. This is an opportunity for all of us to do the right thing: to provide protection for tenants and at the same time ensure that new units come on and ensure that landlords get a fair and reasonable return on their investment but prevent them from taking advantage of an extremely tight rental market.

So, Mr. Chairman, those are my comments with respect to this amendment, and I would certainly hope that the government will accept this amendment. Thank you.

Mr. Snelgrove: I guess that this would be official notification: the group hug has been cancelled, just so you know. Mr. Chairman, for all those that, unfortunately, weren't able to listen to the 12 hours of debate about this, the by-product of this simply means people are evicted. They don't negotiate a rent; they're evicted so the landlord can bring in a new tenant at whatever rate she wants. So instead of helping – and I truly believe that they think they're going to, and good on them – the simple fact is that this would simply put people in the streets. It's better to be under some financial stress than under a dumpster.

So, Mr. Chairman, I couldn't accept this.

The Chair: Are there others? The hon. Member for Edmonton-Calder.

Mr. Eggen: Well, thanks, Mr. Chair. I find that unfortunate although not unexpected.

Certainly, this is a similar set of numbers that we've been putting forward here over the last few hours or so, but you know we didn't just pull these numbers out of the air. It is, in fact, the reasoned and reasonable deliberation of the affordable housing commission that came up with this number of CPI plus 2 per cent. So considering how the CPI portion of this is a flexible number, because it is a reflection of the inflation rate within the province of Alberta, of which we are seeing quite unprecedented high inflation rates coming in for this fiscal year, you've got that covered off already. That inflation rate, in fact, is a reflection of the increased costs that a landlord might incur as a result of the usual running of a building plus meeting probably a good portion of the inflationary costs associated with maintenance and increased labour and what have you. That number goes up and down with the cost of doing business in Alberta, so to speak.

Remember that we're talking about a temporary measure here. It's not as though we're putting something in stone that will be shackled about us forever, but rather it's a stabilizing number due to extraordinary circumstances of unprecedented increases in rental agreements that we've seen here this year, probably, I would say, unprecedented in modern times in this province.

So for the sake of providing stability for the hundreds of thousands of renters that live in the province of Alberta – many of these people have just come within the last few years to the province, so we're extending a welcome that we do in fact want them stay – let's not forget other factors of unprecedented growth which have caused us trouble, not the least of which is a labour shortage. So, certainly, we have to stabilize the labour population that's just come in to live in these rental accommodations and make sure they can stay and feel welcome to be staying as well. It's a way to do that.

It's also a way by which we can provide relief and some sense of stability for families, working families that are undergoing a lot of rental increase stress at this point. It provides stability for seniors, who are a very high proportion of our rental population. Remember that we're not just talking about people who are renting an apartment or walk-up or what have you but also people who are entering into

the full stream of care, seniors' facilities that are popping up all over the province, Mr. Chair, and, in fact, are providing an important service. People are choosing to go from owning a home for a good portion of their lives back into the rental game at the later stage of their life, and we don't want to unduly destabilize those retirement plans for seniors across the province. This is just a way to extend a measure of security, a measure of regulation, and, above all, a measure of assistance to these people.

8:20

You know, it doesn't cost the government. So often when we debate, we run into a problem with the willingness to pay for a certain program or what have you, but this is a classic case of using the Legislature as it should be used, which is as a regulatory body that simply goes in and puts a bottom line onto something so that a certain sector of the economy or the population can function better. We're not taking public money and shovelling it out the door. We are just putting a stabilizing regulation into place, which is perfectly reasonable. In fact, that's what we get elected to do here. That's why they built this building in the first place, and that's why they sent the 83 of us to sit in these chairs: to provide regulation. It's not such a big deal. It's a good thing to do.

This whole concept that I've heard at various times during the evening about: oh well, you're taking money out of the hands of landlords. That's absolutely, patently ridiculous. What we are doing is flowing the rental monies through the system in a more judicious way and in a more reasonable way, and as time goes on, of course, that money will just keep on moving.

It's a question of whether you want to get a fast rate of return off something and perhaps burn out the whole system – it's like driving your car at maximum speed for short period of time: you have a great time, but then it's a goner – or if you are looking for the long gain, the long investment, where you have a stabilized population, you have a stabilized set of renters in a given building, and you are providing a good, reasonable rate of return for your investment over a longer period of time.

I can't help but think of this as a larger analogy which, in my mind, is a problem, by which we are not managing the economy properly. It's the same kind of deal. Let's try to get as much as we possibly can in the shortest period of time, and damn the torpedoes, so to speak. Or are we going to perhaps set up a structure by which we can enjoy the fruits of the economy over a longer period of time and, in fact, have a more equitable distribution of the wealth and the profit that is subsequent to that?

Somehow I think we have a parallel thing going on here, Mr. Chair, where the rental economy in this province is red hot, and people are suffering as a result. It's a reflection of a red-hot economy in general in which not everyone is getting the fair shake that they deserve.

Those two things, looking at them together, at the very least we've put in really three – I wish there were more – sets of amendments that carry these very reasonable figures of the Alberta consumer price index, which otherwise is inflation – there's your up and down – plus 2 per cent. Let's not forget that certainly we would have a provision for a landlord to make an appeal under extenuating circumstances to exceed that. That's not a big deal. That's a normal part of having temporary rent regulations in place.

Mr. Chair, it's been a wonderful experience running this through. We're not finished yet by any means. Bill 34 and all of its potential, I guess, we still have a chance to salvage. We've seen a couple of amendments accepted. I think that this one is just the ripe one, the cherry on the cake, the pièce de résistance, the apex of the evening and the following morning here.

Mr. Elsalhy: It's the highlight.

Mr. Eggen: A highlight, as well.

Certainly, it's not just me and the members of this Legislature that would walk away happy, but hundreds of thousands of Albertans will get some degree of justice as a result of this amendment going through in concert with the rest of Bill 34 to provide a measure of stability to the rental market in Alberta.

Thanks.

The Chair: The hon. Minister of Energy.

Mr. Knight: Well, thank you, Mr. Chairman. It's a pleasure for me to be able to rather lately join the discussion with respect to Bill 34. Mr. Chairman, I have to encourage my colleagues and all members of the House to not vote in favour of this amendment. We've been accused from across the way that this government has its head stuck in the sand. I would suggest that on this particular issue there may be some individuals in this Assembly that could have their heads stuck someplace else.

Mr. Chairman, indications that there are hundreds of thousands – hundreds of thousands – of Albertans that are suffering at the hands of unscrupulous landlords: I can't understand how that can be. I represent a city that's one of – and there are number in the province of Alberta – the fastest growing communities in Canada. With respect to rent control I have had one communication to my constituency office – one; one communication to my constituency office with respect to rent control – and I would submit that we have dealt with the issue. That particular gentleman happens to be a supporter of the opposition, which is fine; we understand that. But one communication. The other e-mails that come, the bulk e-mails, all come from the city of Edmonton and some from the city of Calgary.

And another thing, the suggestion that there is no rental accommodation being built in the province of Alberta: Mr. Chairman, that is just not true. There's rental accommodation being built as we speak in a number of places in the northwest and, most certainly, in Grande Prairie.

To suggest that this government is doing nothing to help Albertans that have a situation where rent is outstripping their ability to pay: again, we've had a number of programs that I'm sure over the course of the last number of hours here have been discussed at length. But I might add, again, that this government has a rent supplement program in place, delivered through Alberta Municipal Affairs and Housing. Mr. Chairman, it will provide assistance to households in need, households that require affordable housing. They can access this assistance in eligible rental projects: \$24.3 million assisting 4,600. These are real numbers. These aren't pie in the sky: hundreds of thousands of Albertans. These are real numbers. These are real people that this government is assisting, 4,600 households.

An additional rent supplement funding \$9 million provided from local management bodies directly to tenants. The accusation that this government does nothing for tenants and everything for landlords: again, Mr. Chairman, patently not correct. Nine million dollars directly to local management bodies to tenants.

Homelessness and eviction prevention. For whatever reason, the hon. members across the way feel that this is not a program that helps Albertans. I really can't understand that. The criteria that are listed: eligibility criteria to receive emergency housing assistance. They talk about the hundreds of thousands of people with an emergency; there's an emergency housing assistance program. These are the eligibility criteria, Mr. Chairman: a person facing eviction or having significant rental arrears, an Albertan requiring

assistance to establish a residence, or a person that has limited resources.

Mr. Chairman, there are more programs that we can stand here and discuss ad nauseam. This particular amendment does nothing to resolve this issue. We're working to resolve this issue. I'm encouraging my colleagues to not support this amendment.

Thank you.

8:30

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

Mr. Bonko: Well, thank you, Mr. Chairman. It's a pleasure to rise to speak on this particular piece, the amendment. I was listening with great anticipation as the Minister of Energy was speaking and was not in support but was in opposition towards this particular amendment. We as an opposition were up into Grande Prairie and the greater area, and I heard from more than one person, so perhaps he has to put his ears a little bit closer to the ground. He did point out that it was a person who supported the opposition. It really doesn't matter. That's being partisan. It doesn't matter. I was elected to represent all of my constituents, and I would hope that the member does as well.

This is not partisan. This affects everybody. It affects the rich. It affects the poor. It affects people who don't vote and people who do vote. That's not the point of it. The point is that everyone needs to have representation, and I made sure that when I took the oath, I would do that.

I do support this. I said yesterday, when I was speaking with regard to the original bill with no amendments on it, that I'm not really in favour of rental caps, rental regulations, but in this particular case it's an extenuating circumstance of the economy. People need guaranteed protection. This particular amendment is putting in a sunset clause, exactly what I was speaking about last night. It has a definitive term as to when it's going to shut down, and things will continue.

Last night I said that two years go by rather quickly. We've been here, it seems like, more than two years, those that have been on the night shift. But like I said, it does go by rather quickly. Then people can find new accommodations. They can move. They've got two years to be able to get their lives in order to be able to make up their minds or go back to the quiet town that they came from down east, Ontario; it doesn't matter. They've got two years to figure it out. They know that they're in it, and they know that the regulations will come off and that it's open market once again.

I know, like I said yesterday, that there are good landlords, and there are those that are taking full advantage of the opportunity right now. They said: "You know what? We've had an awful long time that we haven't had the ability to raise the rents and bring it up to accordance with everywhere else." But, quite frankly, I think that in some cases they're taking more than advantage of it. What they're trying to do is to let the market bear the brunt.

More people are coming in because of the economy. They know that they're going to have the ability to pay because, perhaps, more than 50 per cent of the people are within the oil and gas industry, and they may have that flexibility. Some get offset through their employers – they have the ability to have top-up with accommodations – but a lot don't. We're talking about those that are on fixed, those that are on AISH, those that are on welfare, families, single income, single parents. Those are the ones that don't have the ability to make this choice. If they had the choice, they'd have probably bought years ago.

I do support this particular piece with the consumer price index as well as the 2 per cent in the amendment here. I think it's fair. I

think it's reasonable. It's not a perfect solution, but in the meantime it does provide that protection, something that the original bill does absolutely nothing for. One year with no increase. Well, again, when they do get that increase, it could be 100, 110 per cent. So they can completely double. This at least provides some modest protection for the renters.

As I said, I do see no reason why this couldn't go. We've already accepted one. This would be at least a palatable one for all. I mean, go back to the associations, those that are lobbying on the government side. Tell them. Say: "You know what? It's not a perfect thing, but give us two years. Give it the sunset clause." After the two years, as we discussed yesterday, it'll go down. We'll shut it down after that. That's a different story. But in the meantime give us the two years.

We've never had this type of economy. Even back in the '80s I don't think things were this hot, when we were doing it at 18 and 22 per cent mortgage rates and people were losing their houses. The economy was doing very well, but all of a sudden it just dropped right out. Right now this is different than that point right there. The point is that we've got an influx: too many people, not enough accommodations. We're hoping to build the accommodations, as we said yesterday, for 10,000 people with the \$285 million, but that won't come anywhere close to providing the upper limit to what you're trying to find here. We continue to get more and more migration in from other provinces, so that need could easily increase to 20,000 or 30,000. I don't know. But if we're going to start with a modest number, say the 10,000, we're not going to meet it. We're not going to meet it whatsoever.

As I mentioned yesterday, even the cost of high schools or bridge construction, something that we all know about, has gone up considerably, and we're not able to in fact recognize how much because the government has put in a bump for it. They said: "You know what? We recognize that things are expensive, so we're going to add a little bit of inflationary cost with regard to tenders." So we have that flexibility. Municipalities have that flexibility to anticipate the out-of-reasonable costs, the unforeseen costs.

Look at the cost of concrete, how much it has gone up. I mean, everything is requiring concrete, so we're going to add an extra 25 per cent. If I was a contractor and I knew that I had ability to cushion my bid by an extra 25 per cent, you know I'd go for that. Why not? It's easy money. The government has pretty much said: I've got the money here.

An Hon. Member: That's un-Albertan.

Mr. Bonko: You know what? There are a lot of un-Albertan people, Tony. [interjections] Sorry about that. There could be a lot of Tonys here today.

Mr. Boutilier: Point of order, Mr. Chairman.

Mr. Bonko: Mr. Chairman, I retract the particular piece. I recognize that I shouldn't single out people like the Member for Drayton Valley-Calmar.

Like I said, like the Member for Drayton Valley-Calmar said, we have a lot of guys out there that may not be on the up and up. There are a lot of guys out there that may not be as true to form. There are people that are going to take advantage of it. That's just human nature. Absolutely. You know, I call it the Robinson Crusoe theory. It's every man for himself sometimes because they all want to get ahead. They all want to be able to make their money and then get out. Everyone is looking for that magic opportunity to be able to sit on a beach or buy their condo in Cancun or something, and right

now is the opportunity to do it. But it shouldn't be on the backs of renters. That's the unfortunate way and the unscrupulous way.

Mr. Chairman, those are some of the comments, but I do look forward to hearing more and taking part further with the debate, and I'm sure the Member for Fort McMurray-Wood Buffalo does as well.

Thank you very much.

The Chair: The hon. Member for Calgary-Montrose.

Mr. Pham: Thank you, Mr. Chairman. I would like to speak on the amendment to Bill 34 proposed by the leader of the third party. I think it is rent control dressed up in another way. The bottom line that we look at is that in Alberta today we have a booming market. Our economy is red hot, and there are more and more people coming to the province.

This is a very easy target for the opposition to focus on. They can always say that it is the fault of the government, and somehow the government has to take more action on this thing. There is no doubt that more action is being taken to deal with the shortage of housing. It is a demand and supply issue. Like a big man trying to cover himself with a small blanket, if you dump more money into it trying to have a short-term fix, all we do is squeeze somebody out of the current housing market. If we help somebody on this side, then somebody on the other side will be in that position. The best way to solve this issue is to increase the supply of housing in Alberta. However, we have another problem compounded on top of that. We are near full employment these days in Alberta.

[Reverend Abbott in the chair]

For us to be able to attract more workers to build more housing units is not a simple solution even though, as you know, we have pumped hundreds of millions of dollars into addressing this. There are short-term and there are long-term solutions to this issue, but rent control is not the answer because all rent control will do is send a very chilling signal out there to potential investors who can build more housing units in Alberta, and that will only make the problem worse. Today the vacancy rate in Calgary and Edmonton is around 1 per cent. That's almost zero per cent. That is why the rent has increased substantially. If you have people out there who need these units and you try to control the market by stopping people from raising the rent, you don't solve it. The shortage of housing is still there.

8:40

For the short-term solution I think that we have to look at two ways. One is to increase the number of living spaces quickly by allowing investors, manufacturing companies, and renters to bring in additional mobile homes. That will help increase the number of housing units available on the market. Secondly, we look at the regulations to deal with the secondary suites, basement suites, to allow people to rent out their basements so that we can instantly increase the number of housing units available on the market.

In the long run we have to work with the private sector and the municipal governments to bring in more incentives so that people can build more housing units. We have to address the shortage of labour because today in Calgary in a poor neighbourhood an average housing price for a new home is as high as \$500,000 or \$600,000. It is certainly not affordable. We have to somehow bring the cost of building down by allowing more labour to come into the market, and that is one of the reasons why the opposition is in a very interesting position. On one hand they attack any incentive from the govern-

ment to bring in additional workers through the temporary foreign workers program, for example, and on the other hand they are blaming us for not coming up with solutions to address affordable housing and the shortage of housing situation.

In the long run the only way we can deal with this thing is to bring in more workers, more new sources of workers, to help build more housing units. If we can address the supply and demand question, if we can bring up the supply to the point where it can meet the demand of the people of Alberta, then we can get the rental and the housing prices to a reasonable level. To do grandstanding and to parade one victim a day doesn't do anything to address the real issues that we are facing today, Mr. Chairman.

Thank you.

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

Dr. Pannu: Thank you, Mr. Chairman. Nice to see a change of shift there, a smiling chairman in charge.

I rise to speak in support of the amendment before the House introduced by the leader of the NDP opposition just a moment ago, which calls for putting some restraint on rent increases for residential rental property temporarily over the next two years. The rate of increase that is suggested here would seem to be most reasonable, and in fact the rate that's suggested here, the CPI plus 2 per cent, is flexible in that from year to year CPI could change. Any change in the CPI would certainly lead to increase in the permissible rate of increase in the rents that the landlords can charge their tenants.

What I want to emphasize is the following. I just heard the hon. Member for Calgary-Montrose, I think, arguing that this amendment will stop the landlords from increasing rents. Quite the contrary, Mr. Chairman. This amendment is not about stopping rent increases. It is about moderating rent increases, and that's something that needs to be borne in mind. Not only will it moderate rent increases; it will moderate these rent increases only for a certain period of time. This amendment is not about putting this change in stone so that it can stay there forever. It's only two years that we are calling for.

So, Mr. Chairman, I think that this is a most reasonable way of dealing with a very difficult problem. It's an amendment which is very fair towards tenants, and it's equally fair towards landlords. What we need is a certain moderation in the rate of rent increases in the province. We need to bring some sanity to the residential rental market, and this amendment will go some way in providing that moderation.

[Mr. Marz in the chair]

Mr. Chairman, the Affordable Housing Task Force listened to hundreds and hundreds of Albertans, visited dozens of communities, listened to individuals affected by exorbitant rent increases, listened to volunteer organizations that are trying to help those who are either already on the street or face the threat of being on the street very soon. So there is a strong voice there in our provincial community that is expressed in the recommendation made by this task force, which represented all sides of this House. The recommendation related to rent increases is precisely the one that this amendment proposes now, and I hope that the House will approve this. That is the voice of our provincial community leaders. That is the voice expressed, I think, genuinely by the Affordable Housing Task Force. That's one side.

There is the other voice, and we recognize this, and that's the voice of landlords, who want no controls, no capping, no moderation in the rate at which they can increase the rents for their tenants. We all know the problems that this creates for families, for people who

already are in Alberta, people who are coming to Alberta, people who we want to come to Alberta in light of the fact that we face a very serious labour shortage. We hear this around this House all the time.

I want to share with you, Mr. Chairman, an anecdote. My wife had befriended a lady from the Philippines, who came here four years ago as a nanny and served in that capacity for three years while she went to school to upgrade her nursing qualifications. For about eight or nine months, since she got her landed immigrant status and fulfilled the requirements that are associated with coming here as a nanny, she is now working as a nurse in a seniors' residential complex. She came to visit us just two or three days ago. She's leaving for the Philippines to fetch her family, that's she been away from for four years. I happened to be home when she came in and wished her a good journey back home to bring her family back. I asked her: "What about housing? We've been hearing a great deal about this." She said, "Look, after four years of work I've been able to afford to have now a one-bedroom apartment for myself." She pays about \$670 or \$680 for it. I said, "What's your family size?" She said, "I've got two kids and a husband to bring." I said, "Are you going to be able to have reasonable accommodation for four of you?" She said, "Absolutely not." That one-bedroom apartment is all that she can afford, and she's worried that the rent even on that one-bedroom, modest, and inadequate accommodation for the whole family will be increased while she's away. She worrying how she's going to take care of the family when she comes back and where she's going to find the money to pay for it.

Now, that's one instance which illustrates the problem of people who are already here, who have worked very hard to improve their lives, who contribute to the communities here by way of the services that they are providing, services that we so badly need, services which have to be provided only by people that we invite to come in from outside. So that's only one small example of a much larger problem that you're dealing with.

8:50

Now, if the House in its wisdom does in fact consider this amendment seriously and decides, given its flexible character, given that this amendment is in fact a very flexible formula, that it responds to the fluctuations in the CPI rate increase plus adds another 2 per cent to make sure the landlords are compensated in a reasonable fashion while, at the same time, there's a predictability to the rate of increase in rents the tenants will face over the next two years while the problem in the market in housing remains so volatile – once we have gone over this very volatile period with these measures, that will moderate rate increases and compensate fairly the landlords, on one hand, and provide fair protection for tenants, on the other, I think we will be in a good position to lift these regulations and allow the market then to operate as it should. Hopefully, there will be a healthy equilibrium between demand and supply so that the rate increases won't be running out of control.

So, Mr. Chairman, I said that there is that clear voice that Albertans as a community have expressed through the recommendation made by the Affordable Housing Task Force. The other voice is the voice of landlords. They have obviously lobbied. My constituency office has received lots of e-mails, bulk e-mails from landlords urging us not to bring in rent controls because the sky is going to fall if you bring in some sort of moderating legislation with respect to rents. That, to me, makes no sense at all. I think that's fearmongering. That's trying to create panic among the public in general that if any attempt is made by this Legislature to bring in some modification to existing legislation to moderate rent increases, that's going to simply discourage completely and push the investors

out of this province. I think that's nonsense, Mr. Chairman. It simply is not going to happen.

So if I'm being lobbied with such intensity, I'm sure that the government side of the House has been lobbied as well and lobbied, it seems at this moment, rather successfully and effectively. When I heard the President of the Treasury Board and Minister of Service Alberta over the last 12 hours and over the last two weeks as we've been going back and forth in this House during the question period and debate on this matter, he seems to have been totally swayed by the arguments made by lobbyists on behalf of landlords.

It's too bad that we don't have the lobbyist legislation in place already so that Albertans would know to what extent lobbyists on behalf of landlords, in fact, have been lobbying. That information, hopefully, would be on record if that bill was passed. That bill is on the Order Paper, but it's not passed. It's nowhere near passing yet. So we do not know how many, what associations, what lobbyists on behalf of landlords have been lobbying the government side and how and why they've been so successful in persuading the government that it shouldn't take any action and that any action that it does take be in the form of deregulating any controls on rents.

So, Mr. Chairman, I submit to you and to the House, respectfully, that it should give very serious consideration to the most reasonable amendment that's before it and vote in favour of it. Thank you, Mr. Chairman.

The Chair: Before I recognize the next speaker, I just want to point out that it's not accepted practice in this Assembly for members to occupy the space between the table and the bar. I mentioned this the other day, and hopefully I don't have to mention it again.

The hon. Member for Edmonton-Beverly-Clareview.

Mr. Martin: Thank you very much, Mr. Chairman. It will not come as a surprise that I'm going to support the amendment. I'd like to go back and talk about what this debate is all about. We had a task force that was set up to go out and listen to Albertans. That was the purpose of it. We all did that, including the hon. member there, and we were told to listen and come back with recommendations.

One of the things that we heard the most – I think it was the second most brought up item, and I think the member would agree with me on that – was that there needed to be some sort of rent stability because people were hurting. It was a crisis. I said at the time and I believe it to be true that many people on that committee didn't start off thinking that you needed rent guidelines, but after they listened to the people of Alberta, Mr. Chairman, they felt that they had to bring through this recommendation. There seemed to be no other alternative because it was clear that there was a crisis going on out there. That was so clear to us, so clear.

You know, there are some good things that have come forward, but the \$285 million I don't think is going to cut it. All we were saying here is: give a temporary time for rents for people to have some stability in their lives. We've talked in this Chamber many times about the vulnerable, but there are more and more people that are falling in and having difficulty paying their rents, with rising rents.

Now, I think part of the problem, Mr. Chairman, has to do with what the task force called for: adopt a consistent definition of affordable housing for policy and program development. We've had this discussion many times. People say: "Well, what's affordable housing? What is need? What is gouging? What's all the rest of it?" But, you know, then the government says that they accept that a consistent definition of affordable housing is required but does not accept the task force's definition. Well, it's not the task force definition. This is a common definition across Canada and, as far as

I know, in the United States, where they say that no more than 30 per cent of your income should be taken up by accommodation.

I believe the government's problem is that they know that with rising rents and people not being able to afford that, that's becoming thousands more people out there, and that's why they don't want to accept that particular guideline. Well, if you think it should be, as I said before, 40 per cent or 50 per cent, say it, but at least let's have a definition. We can't begin to deal with this problem. I would suggest here that the real definition is 30 per cent on this, Mr. Chairman. But the problem, I think, is that the government sees that there are thousands of people that are going to fall below that. So is it 35 per cent? What is it, then? We're certainly getting a lot of calls. I'm surprised if people say that they're not getting calls because we certainly are in the cities of Edmonton and Calgary.

Mr. Chairman, I don't understand. The government recognizes that it's going to take time to deal with the supply side, and we all agree that there needs to be more supply. We've talked about incentives to builders to build affordable housing, inclusionary zoning, all the rest of the things, but the government is not moving there. So let's say we start now. If we're building more supply – and we talked in the task force about needing 12,000 units. Well, we're not starting, and things are going to get worse before they get better. The point of the guidelines is to say, "Okay, let's do the other things to increase the supply," but we're not doing it.

As I said before, Mr. Chairman, this will get worse before it gets better even if we start with the \$285 million and start doing some things with the lead time.

9:00

I want to bring back again what they're saying from the government, from the ministers here, from Alberta Employment, Immigration and Industry. They're saying that in the next year Alberta's economy is going to continue to be hot. They say: downside risks include labour shortages, and increasing construction and housing costs. They talk about the housing area. Again, I want to keep stressing this. They talk about the Alberta housing crunch. They say: housing shortage is driving up costs of owning and renting a house. Well, that's self-evident.

Then they talk about the MLS listing: resale prices were 34% higher than a year ago; new housing prices rose 38% in Calgary and 42% in Edmonton. They say: the rental vacancy rate declined from 3.1 per cent in October 2005 to 0.9 per cent in October 2006, the lowest vacancy rate for the province on record. It's a historic low. Then they say: since the start of 2005 housing affordability across the province has been eroding at an aggressive pace. Now, there's the reality. It's bad enough now, but they're predicting that it's going to get worse with the economy.

So what do we do? What do we do, then, if we reject rent guidelines? There's no market there, particularly. That's what the government's own document is saying, that there's no real market there. So what do we do with the renters, with the most vulnerable people that could be out on the streets? We've had lots of discussion there. Mr. Chairman, again I want to stress that there are a lot of working people that ordinarily would be looking to buy their first house. We rejected help there too.

So what are we going to do? I still haven't got an answer from this government about what we're going to do. Somehow the market hasn't been there. We've pointed out, again, that Alberta has had a big increase in condo development. Condo starts have gone up big time, a 40 per cent increase, but Alberta with no rent increase guidelines has seen a drop in new rentals by 52 per cent. The argument was that people will build. You know, the old saying is: don't bring rent controls, and they will come and build. Well, Mr. Chairman, they're not doing it.

What do we do? What are we going to say to thousands of people there? Just suck it up and spend 50, 60, 70 per cent of your income on accommodation; tough it out; this is so-called free-enterprise government. Is that what we're going to say? What are we going to say to the homeless? You're out there; too bad; that's just the way it is.

You know, if the government could say to me that there is something that will happen in this next year that will stop the bleeding and the anxiety for thousands of people in this province, I'm prepared to listen. But we haven't heard anything other than that the magic marketplace is somehow going to solve this. Well, the point is: there is no market there. It's distorted. It's out of kilter. Even their own documents are talking about that, Mr. Chairman.

For the life of me I can't understand this hidebound reason not to do what's right for people, Mr. Chairman. I mean, what's the alternative? Again, I keep asking people: what's the alternative? What is the alternative? I'd again say that there is one last chance here, I would think, to at least do the right thing: consumer price index plus 2 per cent. Remember that that also gives them the right, if there are costs like utility bills, maintenance, all the rest, to pass it on. So it's not a hard and fast control. Let's move on and do it.

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

Mr. R. Miller: Thank you very much, Mr. Chair. This particular amendment that's before the House right now, as has been acknowledged by the third party, is very similar to an amendment that was defeated earlier in the evening or the morning or however we describe this marathon session that we're in. The reason it was defeated at that time – at least, as far as I'm concerned, the reason that members from this side of the House voted against it – was because it didn't have a timeline. As has been articulated by many members in the Official Opposition over the last many hours, we do believe that this particular crisis in the market demands temporary – and I underline the word “temporary” – rent guidelines.

The amendment that we have in front of us right now does not have a limit, so unless we can have the House agree to a subamendment that would establish a timeline, this amendment would once again not receive our support. With the help of Parliamentary Counsel and staff back at the Annex building, I've now placed before the table and would ask that we distribute a subamendment to all members present. This subamendment would amend the amendment before the House.

I'm not sure if I should now wait for that to be passed out or if I should describe it first.

The Chair: We'll have the pages distribute copies to all the members. We will refer to this amendment as subamendment A1.

Mr. R. Miller: Thank you, Mr. Chair. For clarification, did you wish me to wait until the subamendment is completely distributed?

The Chair: Yes, we'll wait. Just give the pages a moment to distribute.

Mr. R. Miller: Thank you.

The Chair: You may proceed, hon. member. I believe everyone has a copy.

Mr. R. Miller: Thank you, Mr. Chairman. I'll just read it into the record if I could. Subamendment A1 would amend amendment A6 by adding “for a period of 18 months, or until the rental market

stabilizes” after the words “plus 2%” that exist in the current amendment before the House.

Now, as I indicated, Mr. Chairman, the amendment as it was before the House, without any sort of a time limit, would not meet the favour of the Official Opposition. We've had some discussion over the past many hours about a 12-month time limit and we've had discussion about a 24-month time limit under various scenarios that have been contemplated in a number of other amendments. So this, I think, is a nice middle ground. We've seen some good work during this debate in terms of finding a middle ground with the government and making what was a good bill, but not a really strong bill, a little bit stronger. I would like to take this opportunity to thank members of the government for seeing their way to agree to two amendments so far because it does move things along in the right direction. We're proud to have been a part of that and certainly pleased that the government saw fit to work with us on those amendments. I'm hopeful that we might see some similar co-operation on subamendment A1.

9:10

Now, I've had the opportunity over the last several hours to articulate a number of times the reasons why I believe that some form of rent stabilization guidelines are required. The President of the Treasury Board rose at some point in the early hours of the morning, and for the first time since we really began discussing this crisis in the House this spring, he gave an answer to my question of what is gouging and what steps the government will take to address the gouging issue, which is really, I think, what this entire debate has been all about. The President of the Treasury Board did respond to that, and I appreciate that. It's unfortunate that, you know, we had to sit through the night and into the wee hours of the morning and into the sunlight before we actually had somebody from the government side respond to that question, but that was probably the most important question, so I'm glad that we went there.

Now, unfortunately, I don't think it's good enough yet. He talked about taking this to the landlord and tenant dispute panel. As the shadow minister for Service Alberta I continue to hear stories about that panel not working the way that it is intended to work. It's a pilot project at the moment. It's not even across the province. It's in the Edmonton area only. The feedback that I'm hearing from people who have been involved with the panel is that it's not accomplishing what it was set out to accomplish. Despite the fact that the minister has said that there will be discussions with that panel and with landlords' and tenants' representatives to try to come up with some way to address the question of gouging, we're not there yet. We need these answers, and we need these answers soon because as many members, specifically the leader of the third party, have outlined earlier in debate, these horror stories are coming at us daily. Literally every day there's another one coming into the office, another phone call, another e-mail.

I referenced the Metro – I'm not sure if I can recall the name of the college that my constituent is attending.

Ms Blakeman: Yes, it's Metro. It's in the fabulous constituency of Edmonton-Centre.

Mr. R. Miller: Yes. It is a college in the fabulous constituency of Edmonton-Centre. There are approximately 300 ESL students attending there right now, and these students are bringing their concerns about the lack of some sort of rental guidelines to their instructors on a daily basis. I know that we've had several dozen visitors in this Assembly over the last few days expressing their concerns to the minister and to the minister's staff about the lack of

rental guidelines in Bill 34. I know that those numbers are not going to wane. I know that this is going to continue and continue and continue on a daily and weekly and monthly basis until some effort is made to address this situation. We're not there yet. We're moving in the right direction, but we're not there yet, Mr. Chair.

Subamendment A1 is another attempt to find some middle ground that the government members might be comfortable with and that landlords could live with and that tenants would certainly appreciate in terms of providing them the protection and the stability that they need and deserve in order to accomplish the goal of the Official Opposition and, I believe, all members of this House, and that is to make sure that everybody has a home.

I'd like to talk a little bit about the availability of new affordable housing in the constituency of Edmonton-Rutherford because we've talked a lot over the last many hours about whether or not there's any new housing being built in Edmonton-Centre, as an example, or whether or not Edmonton-Glenora is seeing new rental accommodation or whether or not Edmonton-Highlands-Norwood is seeing any new rental accommodation. When I look at the constituency of Edmonton-Rutherford, I cannot say for a fact, but in my recollection I cannot think of any new rental accommodation that's been built in the two and a half years that I've been the MLA for Edmonton-Rutherford.

There is, as many people will be familiar with, a major complex of housing being built on the old Heritage Mall shopping centre site: Century Park. This complex, when it's completed, Mr. Chairman, will accommodate somewhere between 8,000 and 9,000 residents. One of the things they've talked about is availability of housing. We know that with the influx of new residents into Alberta, this is a crucial issue, and indeed this developer is going to provide between 8,000 and 9,000 residents with housing over the next several years. That's a good thing.

There is, however, as there usually is, a catch, Mr. Chairman. The first sale of units in that particular complex took place sometime before Christmas, and they sold \$86 million worth of real estate in about four hours. They had people camped out, standing in line. It was probably a record in terms of local real estate sales. The smallest single unit, under a thousand square feet, sold for \$375,000, and the prices went up to, if I remember right, somewhere around \$900,000 for a 2,000 square foot unit. Now, you know it's a wonderful compliment to the developers that they had that much interest in this development. There are, obviously, many new residents of Edmonton-Rutherford in the next year or two when that first building is complete that are going to have lovely homes, but this is not affordable housing in any way, shape, or form.

That is the only instance of new housing that I can think of in the time that I've been the Member for Edmonton-Rutherford. Clearly, it does nothing to address the issues that we're discussing in this debate here. I'm not suggesting for one second that rent guidelines are going to provide new housing. I'm not suggesting for one second that rent guidelines are going to be the solution to the problem, although as we had the discussion earlier today, I do believe that as a temporary measure they can be a part of the solution. They can be one piece of the puzzle.

Yes, I've also received the mass e-mails that the Energy minister was referring to a few minutes ago when he was debating, and by far the majority of those mass e-mails that I'm getting are, in fact, from landlords, the same ones that he's getting, because they outline right in the header of the e-mail that they've been sent to all MLAs. So there's no question that the landlords have a powerful lobby under way right now to all MLAs to address their concerns, and they do have some legitimate concerns. We've discussed that in here.

Clearly, it's not all landlords that are gouging. In fact, I'm sure

it's only a very few that are gouging, but once again it is happening. There is gouging taking place, and this Assembly must do something to protect those that are most vulnerable from those landlords that are taking advantage of this situation. We can't allow anybody to be taken advantage of in that way, whether it's the 80-year-old grandmother that was in the gallery the other day or the young mother from Rwanda with a baby child or my gentleman, Mr. Deria, from Yellowbird suites. My colleague from Edmonton-Ellerslie indicates that he's got many like that as well. So we can't allow anybody to be taken advantage of in that way. As the Premier himself said last Friday evening, that is un-Albertan.

It's incumbent upon all of us to find a way to make sure that we protect those people, and I do believe that subamendment A1 to amendment A6 would accomplish that. I think it's fair to landlords. We've discussed previously the fact that by allowing them a market-basket measure plus 2 per cent, there is certainly an opportunity for landlords to keep up with inflation in the short term, in the temporary period that this covers, as well as giving them a cushion of 2 per cent. I think that by having a period of 18 months or – and this is key, I think, to this subamendment – until the rental market stabilizes, perhaps in six months or eight months or 10 months or 12 months if the market has stabilized, we can remove this temporary guideline sooner rather than later. Perhaps, Mr. Chair, it might be longer than 18 months, and we may have to leave that in place. I'm not sure exactly what the answer is.

That's the point of this: that we don't necessarily have to have all of the answers, Mr. Chairman. We can provide the government with some flexibility to respond to market conditions. If, in fact, we could do some of the things that have been discussed in this House and some of the things that are reflected in the housing task force and some of the things that are reflected in the Official Opposition's document entitled *Because Everybody Needs a Home*, then perhaps we can open up some secondary suites sooner. Perhaps we can give the municipalities the versatility to mandate that a certain percentage of affordable housing be provided in every new development. If we can do some of those things, maybe we can get some of this affordable housing on-stream, online a little quicker than in the five years that we seem to talk about most of the time. If in fact, Mr. Chairman, that happens, then we can remove the temporary guidelines sooner than anticipated as well.

9:20

So this subamendment would in fact provide the Legislature and the government with the flexibility to respond to market conditions, and I think that goes a long way towards addressing some of the concerns that the government members have expressed this morning.

I think that with that, Mr. Chairman, I'm going to allow other members to comment on subamendment A1. As I suggested earlier, I do believe this strikes a middle ground that accommodates the needs and requirements of tenants, landlords, and this Assembly in terms of the flexibility required to respond to market conditions.

Thank you, Mr. Chairman.

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

Mr. Snelgrove: Thank you. I mean, obviously we've had this debate most of the night, but it would be really difficult. We've mentioned to the hon. members that we intend to bring in the board with the landlord and tenant people, and we want to work to have some kind of a constructive dialogue between the groups and bring that together. I don't think that you want to deal with someone and tell them in good faith that we want to sit down and talk about this

but: oh, by the way, we've just taken away your ability to use your property how you want for the next 18 months. You can't have it both ways. If you want them at the table to come to some understanding – because there is no legislated way to deal with them. So you simply can't have it both ways. If you want them to deal in a reasonable manner, then we also have to be reasonable back with them.

I'm suggesting that we've had the debate on the rent controls all night long. We don't accept the way they look at it. It's just that simple.

The Chair: The hon. Member for Edmonton-Highlands-Norwood, followed by the hon. Member for Leduc-Beaumont-Devon.

Mr. Mason: Thank you very much, Mr. Chairman. I want to indicate that the Alberta NDP opposition is going to support this subamendment, and I just want to indicate that it fits very well and completes the motion or the amendment that I made earlier this morning. Again, we come to the basic question before us: that there is no protection and no stability for tenants in this province. Renters in this province are faced with a very, very difficult situation. Hundreds of thousands of Alberta families are faced with rent increases that they may not be able to afford, and this government has rejected every attempt to provide some protection and some real stability for them.

I think it's unconscionable that the government is failing tenants. It is favouring landlords. Instead of setting direction, the minister is talking about: "You know, we can't set direction in this province. We can't pass legislation, or the landlords just simply won't talk to us and won't co-operate." Well, I hate to think that that's the situation, but if it's so, then it really indicates that the government is just not prepared to provide the leadership that's necessary on this issue.

Mr. Chairman, what we've seen here is, I think, an attempt by this government to ram through legislation dealing with rents in this province that does not support renters, does not give them the protection they need, and to do that under cover of darkness through the night. In fact, I think the opposition by working together has co-operated in stopping that so that we now have the final debate on the amendments to this legislation taking place in the light of day, when there are people around to witness the actual position of the government.

I want to just indicate that the subamendment, which would enforce rent guidelines for a period of 18 months or until the rental market stabilizes, is a good one, and it's very supportive of what we're trying to do here, which is to limit rent increases to one per year and to be no greater than the Alberta consumer price index published by Statistics Canada for the previous calendar year plus 2 per cent. That's a reasonable rate of return, Mr. Chairman.

I would urge all hon. members to support the subamendment and then support the amendment so that we can give this legislation real teeth to protect real people, real renters in this province, who've been abandoned by this government.

Thank you.

The Chair: I wasn't wanting to interrupt the member, but the noise level is getting high in here, and it's difficult for the chair to hear. So if we could keep the background noise down, I would appreciate it.

We have the hon. Member for Leduc-Beaumont-Devon, followed by the hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Calgary-Egmont.

Mr. Rogers: Thank you, Mr. Chairman. I would certainly like to thank the Member for Edmonton-Rutherford for his subamendment and for his tenacious interest in this very important topic. I would also like to sincerely thank all the members who have given so much of their time to this discussion and the debate and particularly the members that have sat through most of the night and a lot of those members that are still here. I had the privilege of going home and getting a few hours of shut-eye, but I do want to commend all the members for their hard work through the night on debating this rather important issue.

Mr. Chairman, I also want to thank the Member for Edmonton-Rutherford for recognizing a good bill. It's good to hear someone from the other side recognize that, even though we may not agree on how to get to the end of this debate and the solution that we're looking for. I think we're all in here with the same intentions. We have the same attitude: to make the best effort that we can on behalf of our constituents and recognize that we have a situation that does require some serious attention.

Mr. Chairman, I have to say that a few unscrupulous landlords gouging their tenants is appalling, and I repeat: it is appalling. But this does not constitute a crisis. I have to say that I look forward to the efforts through the Minister of Service Alberta and the Landlord and Tenant Advisory Board taking a very serious look at the situation and, I would hope, bringing swift action – swift action – to bear on these rather unsavoury individuals or companies.

Mr. Chairman, I would suggest that this subamendment at best, although well-intentioned, would add a level of ambiguity to the situation, and I have to say that I'm at a loss to even imagine what terms or what learned body would determine when the rental market is stable. I believe that this will be a matter of opinion for a number of individuals in terms of determining what is stable. I mean, what I consider stable, what the members opposite and many others consider stable, I would suggest to you, is something that's going to be open to a lot of interpretation. So the whole point of this subamendment that talks about "or until the rental market stabilizes" – I think we could discuss that for many nights on end in this Chamber and many other parts of this province.

Mr. Chairman, I have to say that I cannot support the subamendment, and I would encourage all reasonable members to defeat the amendment. Thank you.

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

Mr. Agnihotri: Thank you, Mr. Chairman. I'm pleased to rise and speak in support of subamendment A1 to amendment A6. You know, as I said before, we believe in fairness and sustainability in the market. This amendment definitely will help with rent gouging. We still believe that we should do something temporarily for the tenants as well as for the investors because we want to keep the investors in Alberta. If we don't give them the fair share, they will move somewhere else. So I think this amendment is very fair, especially timewise. Before, we tried, you know, a one-year time. Now it's 18 months, which is very reasonable, and it will definitely help investors as well as tenants. We support the short-term relief program. This is temporary, and it will definitely help the market to stabilize.

Thank you very much. I support the amendment.

9:30

The Chair: The hon. Member for Calgary-Egmont, followed by the hon. Member for Edmonton-Calder.

Mr. Herard: Thank you, Mr. Chairman. I want to add my congrat-

ulations to all of those who were here throughout the night and who are still here this morning.

You know, in the 13 and a half or almost 14 years that I've been representing Calgary-Egmont, my constituents have never supported legislation that intrudes on the free market, especially when the marketplace may not have exhausted all of the means available to it, but I really hear from my constituents when they perceive that politicians are creating problems where no problems exist.

Mr. Eggen: Oh, come on. Give us a break.

Mr. Herard: The hon. member across the way thinks I'm referring to this issue. There have been a number of issues in 13 and a half years, hon. member.

What we're debating here today are measures to control rents, rent increases, and issues around notice for condo conversions and penalties for failing to act within the act. That's clearly rent control no matter how you slice it.

I believe that there is strength in numbers, and we've seen condominium associations, for example, you know, work in a reasonable fashion with landowners and so on to get the issues that they have resolved. I think also that renter associations could do the same.

I heard the hon. Member for Calgary-Varsity in the wee hours of the morning, as I sometimes get up in the wee hours of the morning, read letter after letter of complaint from his constituents from one particular building. I believe that if the 280 tenants in that building – I think it was 280 that he referred to – were to act with one public voice, the landlord may well be persuaded to change his mind.

On a lighter note, most of us probably have had a chuckle or two in the past from the David Letterman top 10, but I doubt that offending landlords would find much humour in being on the top 10 gougers list day after day, week after week, especially if the beneficial owner of the property were named instead of just the management companies that manage these things.

Here we are tinkering around with amendments and subamendments, tinkering around with the marketplace. I don't believe this is about affordable housing. I believe it's about income support, and we have programs to provide a hand up to those who need it. We've got programs to ensure that people don't get evicted. But when does a hand up become a handout and an entitlement? Where do you draw the line?

Mr. Chairman, I think that we'd be much better off working with tenant associations, working with landlords to see if there wouldn't be a way for them to allocate part of their inventory to low-income housing, being assured that government has a program to top up the income of those who need it. That's what this government has been doing for years and years and years, and now all of a sudden there's a major crisis. We have the programs to help those who need help.

Mr. Chairman, I can't support that amendment.

Mr. Eggen: Well, you know, it breaks my heart to hear that the hon. Member for Calgary-Egmont is not supporting this subamendment, but I kind of thought that he wouldn't in the first place since he prefaced his remarks with such a great vat of sort of ideological claptrap. I certainly expected him not to do that.

What we've been debating here all night is a way to define exactly how much is it before somebody is being gouged. You know, at the end of the day the only people that have actually come up with numbers are over on this side. You have to define what is too much before you can put any of these other things in place. Otherwise, you can have all the good intentions in the world, but if the barn

door is still open to allow somebody to make an increase in someone's rent that is beyond what they can afford, then the whole system breaks down. It's no longer a contractual arrangement between individuals on a reasonable sort of agreement, but it's someone who has to fall into this rental trap that's been created and has no choice in the matter because the increase in the real estate prices across this province coupled with the increase in the rental rates that people have been forced to pay has created a trap into which thousands of people are either falling or going to fall. Quite frankly, Mr. Chair, we have to be able to stabilize that situation. We're not talking about setting up something that's going to be here in perpetuity. It's a way to stabilize the situation for this immediate circumstance that we find ourselves in.

The subamendment that the hon. Member for Edmonton-Rutherford brought forward to us here is just a nice way to cap it off. It's a nice way to add those figures in there that have come from the rental review commission, the numbers that have been placed in regard to using the cost-of-living increase plus 2 per cent plus a provision to increase even more if that's what needs to happen. There's just a whole range of ways to be flexible with the approach that we've been bringing forward here this last evening and into the morning. That's what people are looking for when we walk out of here today. They're looking for a way to stabilize their rents so that they can have the security and confidence to know that they can stay in their homes this next month, that they're not going to have to break the bank and overhaul their monthly budget. How many people have \$100, \$200, \$300, \$1,000 extra in their monthly budget to cover these things? That's the sort of emergency approach that we're trying to put together here, Mr. Chair, and this is the key to it. Otherwise, quite frankly, Bill 34 without some temporary regulation in place is not worth the paper that it's printed on, and that's an unfortunate thing.

We've spent a lot of time on this, but I think that at least we've come to crystalize the situation. We've heard from people who we haven't heard from before. I've quite frankly heard some appalling exaggeration and ideology from the other side. The hon. Member for Grande Prairie-Smoky went way, way out of his way to deliberately slam and misrepresent the reasoned arguments that we've been putting forward here all evening. I would expect that if he bothered to listen, he would show some remorse in that regard. I just can't stand it when people start making things up, putting words in people's mouths, and resorting to blunt-fisted ideology as opposed to talking about some reasonable thing. [interjections] Yeah, right. Okay. Well, you know, I'm just trying to catch his attention. I'll send him a note later; that's for sure. I'll visit him in Grande Prairie. I'm sure he'll see me there.

Anyway, I certainly appreciate the assistance that the Member for Edmonton-Rutherford gave us to give us this last chance to do this.

You know, at the heart of this issue, Mr. Chair, I have a very serious concern about how this circumstance is a transfer of wealth from the working people, from the middle class, to the very few people who are in a position to be able to take advantage of this situation right here, right now. You know, the job of this Legislature is to provide regulation to somehow even out those circumstances. When it happens that there's such a huge shift to such a distortion in any given market, our job is to create some measure of regulation, some measure of moderation, and that's what the people of Alberta are looking to this Legislature to see come true right here and right now. There's no opportunity for appeal here right now. It's very arbitrary, it's very undemocratic, and, I would say, very blunt fisted as well.

9:40

So without some measure of regulation on a temporary basis in Bill 34 certainly the whole thing is going to go down in flames, and we're going to end up having to do this again. Dollars to doughnuts I guarantee some measure of regulation will have to come into the market, and it's a shame that we can't do that here today instead of later on down the road.

With that, Mr. Chair, I would like to close my comments. It's been, actually, quite an interesting time and lots of fun for those of you who've been here from yesterday to today. Regardless of the differences in opinions that we might have in regard to this bill, I've certainly enjoyed the debate, and I look forward to continuing on with Bill 34 here this afternoon.

Thank you.

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

Mr. R. Miller: Thank you, Mr. Chairman. I anticipate that we're nearing the end of this debate this morning, but I also have a sense that there may yet be a division or two. So I'm going to ask under Standing Order 32(3) if we might have unanimous consent to shorten the bells to two minutes and thereby expedite this whole exercise.

[Unanimous consent granted]

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

Dr. Taft: Thank you, Mr. Chairman. I'll keep my comments relatively brief. Again, congratulations in respect to everybody who's been here through the night. There's still a lot of energy in this room. I could tell everybody here that there are not a lot of people out there who appreciate the kinds of demands that members of all parties are under, even though some of us are yawning, and the energy that goes into these kinds of debates.

Specifically to the amendment that's under discussion right now. You know, I would put forward that this is a gesture of balance between two extremes here, which is no rent caps at all versus permanent rent caps. What we're proposing here is bringing in some mechanisms to stabilize rents but with a time limit on them. It seems to me that this is kind of an olive branch, almost, to both sides of this debate to say: okay, well, we can take some steps, but they aren't forever. I would ask that the spirit of this gesture be respected and that it be accepted, in fact, as a way to work our way through this challenge both legislatively and in the marketplace, that there is a need for some regulation or control on the marketplace at the moment, but it's not a forever kind of thing. I think the spirit and intent and effect of this particular amendment is reasonable. It brings balance. It puts a time constraint on regulation, which should make it somewhat more palatable to landlords, but it does at the same time protect tenants from short-term surges in their rental accommodation.

So in the spirit of conciliation, in the spirit of respect for all sides of this debate I think that this amendment is well worth supporting, and I would hope that other people on all sides of this debate would agree with me.

Thank you. That's my full comment on this, Mr. Chairman.

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

Dr. Pannu: Thank you, Mr. Chairman. I rise to speak to the subamendment moved by the hon. Member for Edmonton-Rutherford to the amendment before the House by the leader of the

NDP opposition. The effect of the subamendment, Mr. Chairman, is to make clear, make it absolutely clear, that the amendment before the House is only for a period of 18 months. The amendment's effect will be that the rents will be moderated, using the formula CPI plus 2 per cent, for 18 months. I think this specification is an attempt to clarify that the period for which this very moderate constraint that's put on the ability of landlords to increase rents is temporary, that it's only for 18 months, and that this Legislature will certainly have the opportunity, ability, power to revisit the issue if necessary at that time, depending upon how the housing situation evolves during that period.

Mr. Chairman, the subamendment and the amendment which it attempts to amend are really an attempt to provide a predictable situation for hundreds of thousands of Albertans who have no option but to rent accommodation for their families to live. It is important that the voices of hard-working, regular Albertans be heard in this Assembly and respected in this Assembly. I'm grateful to the Affordable Housing Task Force for showing that sensitivity, for showing that respect for the concerns of these hundreds of thousands of Albertans who are exposed to this unpredictable, volatile rental housing situation.

The task force did not discourage landlords to come before it. On the contrary, I'm sure it kept its doors wide open to give opportunity to landlords to come before it in a public forum to make their case. I don't know how many of them chose to avail that opportunity, but the task force's job was to receive submissions, receive presentations, and encourage landlords and tenants and other concerned citizens to come before it to express their views and to give advice to the task force, so I'm assuming that the recommendations of the task force reflect a balanced view of both the tenants and concerned citizens on the one side and landlords on the other. If the landlords chose not to avail this opportunity, a democratic forum at which to present their views, to have their say, then too bad. They missed an opportunity that was given to every Albertan to come to an open, democratic forum for discussion, debate, and for offering input.

Mr. Chairman, I think it's important for this Legislature, for the Assembly, to not lose sight of the fact that the task force did its work. It did its work in good faith. It provided opportunities to all Albertans. It had an open-door policy, and as a result of the deliberations through that open-door, democratic forum that it provided to Albertans, it received I think most valuable input, and that input is then reflected in its recommendations.

9:50

One of those recommendations says precisely this: at this particular moment in time when the residential rental market is out of control, there is need for some regulation. There's a need to provide some direction. There's a need for the House to recognize its responsibility. There's a need for this government to step up to the plate and say: "Yes, we have heard you, Albertans. We did provide you with an open forum. This is how democracy works. This House is a democratic House, and we're going to listen to what you had to say."

Mr. Chairman, I'm pleased that this task force was an all-party task force, that this task force wasn't a partisan group that advocated on behalf of landlords or that intended to advocate on behalf of just tenants. It was a task force, an all-party task force, and it gave due consideration, I'm certain, to all views that came before it. Out of that serious and due consideration it gave to those submissions and to that advice followed the recommendations that are before us. One of those recommendations is the amendment before the House, put forward by the leader of the NDP opposition, which is under discussion.

Mr. Chairman, it's time that we listened to the advice of the task force. It's time that we respected the views that were canvassed and put together in the form of the recommendations by the task force to this House. I urge all members to support the subamendment, and then we can forward the amendment before the House, which is very consequential. If we approve it, I think we'd bring stability, we'd bring relief immediately to tens of thousands of Albertans. This House will be able to offer assurance that we are concerned, that we are a caring house of democracy, that we listen to the voices of regular, ordinary Albertans in the tens of thousands.

Thank you, Mr. Chairman.

The Chair: Before I recognize the next speaker, hon. members, after almost 14 hours of debate on this bill, it's good to see so much enthusiasm still in the room. It's also good to see that one of our members has chosen to take in the debate on the day of celebrating his birthday. I would just like to extend happy birthday wishes to the Premier.

Mr. Martin: Mr. Chairman, this will be the shortest speech I've made of the night. [interjections] I knew you'd appreciate that.

Mr. Chairman, I want to come back and just ask the question to the government, plain and simple: with the overheated economy, the predictions for housing in the future, in the next year, what are Albertans to do without the rent guidelines? What do we do with the people? Even if you build the houses now, it will take two, five years. It's bad enough now. According to their own records the housing crunch will be worse. It's a simple question: what do we do without guidelines? What is the alternative? I don't know what their alternative is in the short run. I have no idea how they're going to handle this. That's the big question that thousands of Albertans want to know.

I will just conclude by saying that, and we will see. Without the guidelines, Mr. Chairman, I predict that this issue is not going to go away. This issue is not going to go away. Eventually it will come home to roost with this government when there are more people out there that have lost their homes, more people who can't get into affordable housing, and they'll be asking: why? Why didn't you do something here today?

Mr. Chairman, we haven't got an answer. After all this debate, all this night, we still haven't got an answer, what their alternative is, because there is no alternative other than blind faith in the markets. Even the members admit that it's two to five years down the way. I don't know what's going to happen to people, and I wish we could have gotten an answer about that, but obviously there is no answer, Mr. Chairman.

Thank you.

The Chair: Are there others on subamendment A1?

Mr. Snelgrove: They've got answers, Mr. Chairman. They just don't get the answers they'd like. That's the difference.

[The voice vote indicated that the motion on subamendment A1 lost]

[Several members rose calling for a division. The division bell was rung at 9:58 a.m.]

[Two minutes having elapsed, the committee divided]

[Mr. Marz in the chair]

For the motion:

Agnihotri	Martin	Miller, R.
Bonko	Mason	Pannu
Eggen	Mather	Swann
Flaherty	Miller, B.	Tougas
MacDonald		

Against the motion:

Abbott	Graydon	Ouellette
Amery	Haley	Pham
Backs	Hancock	Prins
Boutilier	Herard	Renner
Brown	Knight	Rogers
Doerksen	Lukaszuk	Snelgrove
Evans	Magnus	Stelmach
Fritz	Mar	Webber

Totals:	For – 13	Against – 24
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[Motion on subamendment A1 lost]

10:00

The Chair: Now on amendment A6. Does anyone else wish to participate? Are you ready for the question on amendment A6?

Hon. Members: Question.

[The voice vote indicated that amendment A6 was lost]

[Several members rose calling for a division. The division bell was rung at 10:03 a.m.]

[Two minutes having elapsed, the Assembly divided]

[Mr. Marz in the chair]

For the motion:

Bonko	Martin	Pannu
Eggen	Mason	Pastoor
Flaherty	Mather	Swann
MacDonald	Miller, B.	

Against the motion:

Abbott	Graydon	Mitzel
Agnihotri	Haley	Ouellette
Amery	Hancock	Pham
Backs	Herard	Prins
Boutilier	Knight	Renner
Brown	Lukaszuk	Rogers
Danyluk	Magnus	Snelgrove
Doerksen	Mar	Stelmach
Evans	Miller, R.	Webber
Fritz		

Totals:	For – 11	Against – 28
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[Motion on amendment A6 lost]

The Chair: Are you ready for the question on Bill 34, Tenancies Statutes Amendment Act, 2007?

Hon. Members: Question.

[The voice vote indicated that the clauses of Bill 34 as amended were agreed to]

[Several members rose calling for a division. The division bell was rung at 10:07 a.m.]

[Two minutes having elapsed, the committee divided]

[Mr. Marz in the chair]

For the motion:

Abbot	Graydon	Pham
Amery	Haley	Prins
Backs	Hancock	Renner
Boutilier	Herard	Rogers
Brown	Knight	Snelgrove
Danyluk	Magnus	Stelmach
Doerksen	Mar	Tarchuk
Evans	Mitzel	Webber
Fritz	Ouellette	

10:10

Against the motion:

Agnihotri	Martin	Pannu
Bonko	Mason	Pastoor
Eggen	Mather	Swann
Flaherty	Miller, B.	Tougas
MacDonald	Miller, R.	

Totals:	For – 26	Against – 14
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[The clauses of Bill 34 as amended agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? That's carried.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. We've been having so much fun that I almost hesitate to ask. I would move that the committee rise and report Bill 34.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration a certain bill. The committee reports the following bill with some amendments: Bill 34. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: All those in agreement, say aye.

Hon. Members: Aye.

The Deputy Speaker: Those opposed, say no. So ordered.

head: **Government Bills and Orders**
Second Reading
(continued)

Bill 2
Conflicts of Interest Amendment Act, 2007

[Adjourned debate May 2: Dr. Brown]

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

Dr. B. Miller: Thank you, Mr. Speaker. It's a privilege, I think, to rise and speak in second reading on Bill 2, Conflicts of Interest Amendment Act, 2007. It's an important piece of legislation, and along with Bill 1, the Lobbyists Act, it represents the government's response to the Select Special Conflicts of Interest Act Review Committee, of which I was a member. I want to thank the hon. Member for Calgary-Nose Hill for his leadership on the review committee and his work in crafting Bill 2. This bill has many specific parts responding to the many recommendations of the review committee, recommendations which have the intention of strengthening the act. I think we need to wait until we move through Committee of the Whole to deal with all the different recommendations and all the sections in the bill, so my remarks are fairly general in second reading.

[The Speaker in the chair]

This bill is the next step in a long, evolving history, which began in 1989 when a panel was commissioned to investigate conflict-of-interest rules. The panel's report, known as the Wachowich report, led to the legislating of the Conflicts of Interest Act and the establishment of the office of the Ethics Commissioner in 1991. Another report was published in 1996, known as the Tupper report. It recommended that the Conflicts of Interest Act be reviewed every five years. This was an important decision because all of the basic values and concepts that we hold to be important change. Our interpretations of them change. Even concepts like public interest and private interest, those concepts, our understanding of them changes through the years. I, for one, am not a fan of the idea of absolute values. I think values reflect the culture. Political culture has changed through time. The expectations of the public also change and evolve through time. So what was tolerated 50 years ago is not tolerated today.

A good example is the behaviour of a famous cabinet minister in the Mackenzie King government during the early 1940s who was responsible for Finance. It was not unusual for him to leave a cabinet meeting and immediately phone his stockbroker with insider tips. That may have been tolerated in the early '40s, but it certainly is not tolerated today.

The principles underlying the conflict of interest rules are "impartiality" and "integrity". Both those words, important words, are used in the preamble of the Conflicts of Interest Act. The words "public confidence" and "trust" are also mentioned in the preamble. Really, that is the main reason why amendments of Bill 2 are so important: public confidence and trust. I mean, public confidence has really been undermined in recent years in all political jurisdictions across Canada, and we're no exception. On any list of professional people, politicians are toward the bottom of the list. So it behooves us as a community of politicians, as legislators, to work hard at tightening the rules, improving the conflict of interest rules. If we don't do that, then we don't deserve the public confidence.

In today's world governments continually intervene in all areas of life through regulations and taxes and so on. We've been having a

discussion of that for the last 14 hours, about the pros and cons of intervening in the economy. Governments do intervene, so it's important that we have legislation to deal with our own involvement as politicians in the general economic interests of all citizens. We are some of those citizens, so there are bound to be overlapping interests. In most cases there is an unavoidable kind of representative interest because as legislators we share the general interests of the wider population.

In many points in Bill 2 there is a recognition that we "come from a spectrum of occupations" and "participate actively in the community." In fact, these are words that are going to be added to the preamble of this bill, and this is a positive good, a recognition that as legislators we are active in the community and we share the same interests as all of our constituents and all Albertans. The Conflicts of Interest Act is not in any way intended to prevent us from being involved in our constituency and representing the interests of our constituents and of all Albertans. That is our job, to represent Albertans. But when interests or assets or liabilities or financial interests or family business interests affect the independence of the legislator, there must be clear rules.

The usual methods of controlling conflicts of interest are, first of all, disclosure, and we do that through the Ethics Commissioner's office; avoidance, by divesting ourselves of interests that might impair our judgment; and withdrawal, refraining from acting or being involved in matters in which we have a personal financial interest.

Bill 2 tightens various aspects of the conflict of interest rules. For example, Bill 2 tightens the rule prohibiting a member from using his or her office to influence a decision of the Crown to improperly advance not just their own interests but anyone's private interest, and I think that's very good.

10:20

Bill 2 extends the cooling-off period for former ministers from six months to 12 months. There are provisions concerning the limit on gifts – it's going to be \$400, not \$200 – and provisions in respect to disclosure. When a minister has violated the act and has profited from the violation and another person has suffered a monetary loss, then there are provisions for restitution.

There are areas that still need attention, I think, but maybe that will come in the future, when we review it next time. I personally would have preferred to see a positive code of ethics included in the Conflicts of Interest Act as the House of Commons has it, but I lost that one in the review committee. I didn't get very far with it at all. I think there's a need to distinguish a real conflict of interest, where a person has knowledge of a private economic interest that is sufficient to influence the exercise of their public duties, and an apparent conflict of interest, where there is a reasonable apprehension that a reasonably well-informed person could properly have that a conflict of interest exists. So I think it's important to distinguish between real conflicts of interest and apparent conflicts of interest. I don't think Bill 2 deals with that.

To properly evaluate the provisions of Bill 2 – and there are lots of them – I recommend that members of the House read the final report, a very good report, May 2006, of the Select Special Conflicts of Interest Act Review Committee. This will be our guide to see how Bill 2 stacks up in responding to all of the recommendations.

I look forward to watching how this bill moves through second reading and through Committee of the Whole. Perhaps it can still be strengthened even more. Thank you, Mr. Speaker.

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

Dr. Pannu: Thank you very much, Mr. Speaker. Good morning to you. It's good to see you back here in the House early in the morning.

Mr. Speaker, I'm pleased to rise and make brief comments on Bill 2, Conflicts of Interest Amendment Act, 2007, that's going through second reading. First, some general observations. Conflict of interest as it relates to the activities of public officials, publicly elected representatives in a democracy as well as people who work closely with cabinet members and others, is very important. It's important for us to make sure that we respect the trust that our electors place in us, that we respect the trust that society as a whole places in the democratic integrity of our institutions. We also need to be cognizant of the fact that there is some degree of a crisis of confidence and trust in elected officials. There is a great deal of cynicism about the way our business is conducted in our democratic Assemblies and parliaments. There is a sense of apathy and indifference that grows out of this cynicism.

So there is, I think, a need for us to recognize that we need to do a whole lot of things to restore confidence in the work, very important work, very important responsibilities that we as elected members of this Assembly and Assemblies like this across the country undertake to perform on behalf of and in the name of our constituents. We need to make sure that we put in place conditions, pieces of legislation, codes of conduct, expectations with respect to our daily behaviour inside and outside the House that will restore the confidence of our electors in our work, in our own integrity, and in the general integrity and the respect for the democratic decision-making and democratic institutions that represent a very rich history of democratic reform and evolution over more than a century in this country and beyond. So this bill, which will update and strengthen existing legislation related to conflicts of interest, is in that sense a welcome step.

We undertake to take a very close look, give it very serious scrutiny clause by clause, item by item, to make sure that the intentions that the select special committee on conflicts of interest of this Legislature explicitly embodied in their report of May 2006 are in fact translated into legal and legislative language and are true to the spirit of those recommendations made.

Mr. Speaker, on a personal note, when I first got elected and came to the Assembly, in the spring of 1997, the Tupper report was all around us. There was a debate in the Assembly. The then Ethics Commissioner, Bob Clark, took a very close look at the Tupper report and made some recommendations of his own, asking the Assembly to make legislative changes. So I am certainly quite familiar with the attempts that have been made in this Legislature by many of the members of the Legislature and officers of the Legislature to move in the direction in which this bill seems to be taking some steps.

Incidentally, I ran into Allan Tupper, the author of the so-called Tupper report, just the other day. He was in my constituency at a drugstore buying something, and so was I. He asked me how things are going, whether we made some progress on the report, and if so, in what form. I told him that the Assembly now has before it a bill that is dealing with strengthening our conflict of interest legislation.

Mr. Speaker, I must confess that I haven't taken a very close look at the contents of this bill as yet, but we'll have that opportunity as the bill moves into the committee stage for debate. We will certainly take a very close look and give it the scrutiny that it deserves, and where we think it's necessary, strengthen the conflicts of interest guidelines to make sure that the bill serves both to enhance the integrity of the work that we do and prevent us as legislators from erring in ways in our conduct and behaviour that will cast a dark shadow over the Assembly, as such.

Transparency, integrity, and avoidance of conflicts of interest are very, very important concerns of mine, and I know that they're shared by all members of this Assembly. Hopefully, this bill will serve to strengthen our ability to ensure and give assurance to Albertans that we are taking appropriate steps that will lead to avoidance of conflicts of interest on the part of members of this Assembly, the members of Executive Council, and some public officials who work very closely with the Premier or, perhaps, cabinet members.

I'll close, Mr. Speaker, by saying that I looked at the list of former political staff members that's included in the bill: chief of staff, office of the Premier; deputy chief of staff, office of the Premier; director, office of the Premier, southern Alberta; executive assistant to a minister as defined in Order in Council 192/98. This list may or may not be exhaustive. I certainly am going to take a close look at it and see if there's a need to in fact expand this list.

The second concern that I had, that emerged from a very quick look at the bill, is the cooling-off period that this bill allows for former political staff members, which I think remains at six months, whereas for the members of Executive Council it's extended to one year. I have asked myself: why is it not appropriate to have the cooling-off period for the former political staff members the same as for the members of Executive Council? But these are matters that will come up for, I'm sure, good discussion and debate in the House as we move to the committee stage.

With that, Mr. Speaker, I close my remarks. Thank you.

10:30

The Speaker: Hon. members, Standing Order 29(2)(a) is available for questions.

Additional speakers? The hon. Member for Edmonton-Manning.

Mr. Backs: Thank you, Mr. Speaker. I'm very pleased to rise and speak in support of this bill. Before that, I'd like to thank the mover and the Minister of Justice for providing very good briefing on this bill and doing some great work on it.

This is a very important piece of legislation that speaks to some questions that I've raised in the Legislature in past sessions, and I expect that this will provide some greater support from Albertans and ensure that our democracy works better.

Thank you, Mr. Speaker.

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

Shall I call on the hon. Member for Calgary-Nose Hill to close the debate or call the question?

Hon. Members: Question.

[Motion carried; Bill 2 read a second time]

Bill 33
Town of Bashaw and Village of Ferintosh
Water Authorization Act

[Debate adjourned May 3: Mr. MacDonald speaking]

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

Dr. Swann: Thank you, Mr. Speaker. It's an honour to rise and speak to Bill 33, an important bill, clearly, for the people of Ferintosh, central Alberta. A dry area, increasingly so.

I want to say that the overriding issue in our decision-making consciousness continues to be a concern about climate change. Here is another example, the third example I'm aware of in the last four

years where we're making an interbasin transfer and coming to the Legislature to discuss this because we are concerned about any interbasin transfer, as we should be, and moving water from north to south. From all appearances this is going to be an annual event here, if not more often, to look at increasing drought conditions, water shortages, and problems with water sustainability and water management in the province. I think more and more people in Alberta are anxious to see a long-term vision and a plan for water management in the province, something that addresses what is going to be an increasingly urgent and frightening aspect of life on the prairies, especially in south and east Alberta.

Mr. Speaker, this transfer is an acknowledgement of the failure of water management planning again in the province and a recognition that we don't have a land-use framework in place. We haven't, especially now, got a framework in place that will allow us to set priorities for development to ensure that we are, wherever possible, moving people to water, industry to water rather than water to people, to ensure that we are using the best of science to assess the capacity of water systems, and a long-term management plan that will ensure the best and highest use for water, that's the lifeblood of the province.

A third dimension needed is a serious public consultation about how we will develop this province: at what pace, at what scope, and how particularly this is going to impact our water supplies for the future. We have to establish priority uses, and we have to place limits on growth. This is not something this government wants to hear, that we have to place limits on growth, but in my background in medical practice anything that doesn't stop growing is malignant, and anything that doesn't recognize limits is going to face crisis and disaster in many respects.

It's clear that this community has no capacity to deal with its own water needs. It's in a particular location where even the groundwater has diminished in both quality and quantity. It's incumbent upon the Department of Environment to find out more about what is happening to our groundwater, with increasing shortages of groundwater across the province and, by all scientific accounts, increasing problems of shortage of surface water with glacial loss over the next couple of decades. Water management in a sustainable way, limits to growth, conservation measures, storage measures: we have to explore the gamut of issues before lurching to the crisis management which is represented by a water transfer from north to south.

I think it's impossible to consider rejecting this because these people are in real need. But it's also impossible not to comment on the lack of planning and the lack of sustainable thinking about our water management in this province. This is only going to get worse. We are going to be facing this increasingly and without recognizing the risks associated with interbasin transfer, not the least of which is the biological transfer of organisms and ecosystems that were never in that water basin from one basin to another, with predators and unexpected and unpredictable consequences that we cannot predict and that will potentially have devastating consequences for certain biota in a unique ecosystem, which each river system represents.

There's also a huge cost to this, not only the capital cost of piping and pumping the water but a cost in terms of whenever we move water from another system: increasing vigilance, risks of contamination, and potential for serious health consequences. We have to begin to look more seriously at demand management rather than simply reacting with supply wherever it's needed.

I note with some concern that there's no discussion in this bill of putting limits on growth in Ferintosh. It's as if whatever they want to do they will continue to do, and we will continue to supply water inevitably. If they fall short, then we will bring our technology to play, and we will provide whatever they need. This doesn't reflect

a government that is thoughtful about the future, that is thinking about limits, that is looking at long-term consequences of continuing to pump water from north to south as we fall short in these different regions.

Mr. Speaker, those are my concerns, those are my comments, and those are the comments of increasing numbers of environmental experts and water experts in the province. We are going to be transferring water from the South Saskatchewan, ultimately, to the North Saskatchewan River and without a lot of thought about what in the land-use framework is going to change, what science we are going to apply to some of these decisions, how we are incorporating climate change realities into the future, and what we are looking at in terms of requiring some limits to growth in this trend towards repeated interbasin transfers.

In all honesty, there's a clear need in this community. We will be supporting this bill but with great and serious reservations about the unwillingness to look at the longer term and plan for a very serious water shortage in our near future.

Thank you, Mr. Speaker.

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

If not, then who shall I recognize? The hon. Member for Edmonton-Decore, followed by the hon. Member for Edmonton-Manning.

10:40

Mr. Bonko: Thank you, Mr. Speaker. The Member for Calgary-Mountain View did raise some very, very important points that are not considered within the overall piece of the bill with regard to the Ferintosh interbasin transfer. I'm hesitant to support the bill but probably would because I know that people's overall health and standard of living depend on being able to get the water. I recognize the need for the village of Ferintosh and, as I said, hesitantly support the bill, but I'm concerned with the practice, as the other colleague was, of interbasin transfer. It doesn't make sense to continue to grow and expand knowing that you don't have the very need of water to support that.

I mean, I would be more comfortable with this bill if it did have some sort of limitation with regard to expansion. We have that in some of our national park areas such as Jasper and/or Banff, where they've put a moratorium on growth just from the fact of trying to keep the pristine area intact and the integrity of it, but here in this particular case it's almost similar to that of Balzac and the proposed building of the horse-racing piece. You know, you don't have an immediate source of water, but you're still wanting to have growth there.

It doesn't make sense to bring the water to the people. You

should be doing it the other way around, bringing the people to the water and establishing towns and municipalities based on that instead of the other way around. The guiding principle that, you know, we bring the water to the people: people truck in water all the time. That's obviously what we're trying to get away from. They need a steady and guaranteed source here, but for how long if they're going to continue to grow? It's like providing a bailout for people with regard to a bank loan, and they go out and spend it on renovations again. They haven't learned anything.

I just wanted to get some of the specifics about it. The government has not handled water issues in the past and present very well. Our knowledge of how much we need and where it's located is still not there. We need to do a much greater job of mapping as well of our surface water and our groundwater to be able to sustain our economy because a lot of the industry depends on water. As well, our people depend on water.

So I just wanted to get in those particular pieces. Thank you, Mr. Speaker.

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

Then I'll call on the hon. Member for Edmonton-Manning, followed by the hon. Member for Calgary-Varsity.

Mr. Backs: Thank you, Mr. Speaker. I'm very pleased to rise in support of this bill. It's an important bill to provide infrastructure for the people of the Ferintosh area. This issue was actually raised in my constituency by some constituency activists in the community who have relatives in the area. It's very important, they said, that this move forward quickly. I must commend the Member for Lacombe-Ponoka for the diligent work he did in informing all interested parties about all the various factors of the issue. He answered all of my questions about trucking, about the volumes, about any potential right-of-way issues, local support, and other issues.

With that, I must say that I support this, and I move adjournment, Mr. Speaker.

[Motion to adjourn debate carried]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. This Wednesday having been a very productive day, I would move that we adjourn until 1 p.m. on Thursday.

[Motion carried; the Assembly adjourned at 10:45 a.m.]