

Legislative Assembly of Alberta

Title: **Tuesday, November 6, 2007**

1:00 p.m.

Date: 07/11/06

[The Speaker in the chair]

head:

Prayers

The Speaker: Good afternoon.

Let us pray. Guide us all in our deliberations and debate that we may determine courses of action which will be to the enduring benefit of our province of Alberta. Amen.

Please be seated.

head:

Introduction of Guests

The Speaker: The hon. Minister of Advanced Education and Technology.

Mr. Horner: Thank you, Mr. Speaker. It's an honour to rise in the House today to introduce to you and through you to all members of the Legislature a group of 37 grade 6 students from Sturgeon Heights school in St. Albert. They are accompanied by teachers Lorna MacKay, Darryl Propp; parent helpers Sandra Shelemey, Craig Toth, Beth Purdon. They participated in your mock Legislature this morning, and after speaking with them in the rotunda, I found out that they are very knowledgeable about the process and what we do here in their Legislature. They are seated in the members' gallery, and I would ask that they rise and receive the traditional warm welcome of this House.

The Speaker: The hon. Minister of Employment, Immigration and Industry.

Ms Evans: Thank you, Mr. Speaker. Today I'm truly honoured to introduce two guests that are here that have very special credentials. Originally they were from Sierra Leone. They came to Canada via Moncton, New Brunswick, and eventually found that many people from Africa had actually settled in Edmonton and here they might find a home and many people that they had much in common with. Today we are joined by managing editor Alhaji Kabba and his beautiful wife and secretary and layout designer, Martha Kabba, who produce the Canadian African. They have interviewed Stephen Mandel. They've interviewed the police chief in Calgary. Today they interviewed me to find out what it's really like to work bringing immigrants into Alberta. I would ask them to please rise and if we would give them the warm welcome they so richly deserve.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It's a pleasure to rise and introduce to you and through you to all hon. Members of this Legislative Assembly a delegation from the Fulton Place elementary school. This delegation is on tour this afternoon. They are led by a teacher, Mr. Michael Lam, and they are ably assisted by three parent helpers or volunteers: Mrs. Wendy Dick, Ms Linda McBain Cuyler, and Mrs. Heinrichs. I had the pleasure of visiting this classroom at Fulton Place school during Read In Week, in the first week of October, and this class is very well organized by Mr. Lam. The students are bright and energetic, and that is reflected in their activities in the classroom. They're in the public gallery, and I would now ask them to please rise and receive the warm traditional welcome of this Assembly.

Thank you.

head:

Members' Statements

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

Alberta Film Industry

Ms DeLong: Thank you very much, Mr. Speaker. The Alberta film industry is a means through which we communicate the voice and identity of this province. I'm not speaking just to the Alberta stereotype of the cowboy-inspired westerns set against the backdrop of the majestic Rocky Mountains. There is so much more. We're farmers, CEOs, police officers, nurses, and, yes, even politicians. We have stories set in our own unique heritage, and these stories are important contributions to our national cultural mosaic.

The film and television industry has long been of interest to this government. It's a knowledge-based, labour-intensive, value-added, and environmentally green sector with direct employment benefits going to jobs and service companies where films are being shot. The film industry also enriches our province's cultural images, acting talents, skilled craftsmen, and shares our enviable quality of life with the world. It's an industry that postsecondary schools like Red Deer College are focused upon.

The passionate vision of our Albertan identity is certainly reinforced in the indomitable spirit of Lorne MacPherson. He was the head of the Alberta Motion Picture Development Corporation when it opened its doors in 1981 and was instrumental in putting the Alberta film industry onto the global map. Lorne's vision and leadership helped shape a vibrant part of Alberta's arts community. By taking our culture to the world through film and television, he has helped to give global audiences a taste of our provincial perspectives and a clear insight into the Alberta experience.

Thank you very much.

The Speaker: The hon. Member for Red Deer-North.

Gaetz Apartments, Michener Centre

Mrs. Jablonski: Thank you, Mr. Speaker. Something very extraordinary happened in Red Deer last month. Thanks to the Premier's concern for the homeless and his mandate on affordable housing we were able to take an empty provincial building in Red Deer and transform it into 42 affordable apartments for people who have jobs but have no homes. Now called Gaetz Apartments at Michener Centre, these bachelor-type suites include three meals per day and laundry facilities for working people who will now have an opportunity to sleep peacefully and think about their future as they save money for a damage deposit and the first month's rent.

The idea to investigate the use of empty provincial buildings was first identified by Mayor Morris Flewwelling. Thanks to the co-operation of the departments of Infrastructure and Transportation, Municipal Affairs and Housing, Seniors and Community Supports, central PDD, and numerous community agencies we were able to work through extensive program proposals and find the right people for this project.

I would like to thank Justin Hubert of Heritage Family Services and his dedicated staff, Maribeth Friesen of the city of Red Deer social planning department, all the contributors to the project whose staff worked long hours and late nights to complete the renovations for their belief in this project. There are many people from the government departments who also worked very hard to make this project a reality, and I would also like to thank them.

Mr. Speaker, Gaetz Apartments, which will give a home to 42 working homeless, is a great story, a first in the province of Alberta. It's thanks to the vision of our Premier that we have been able to make this project possible.

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

Access to Affordable and Nutritious Food

Mr. Chase: Thank you, Mr. Speaker. Food insecurity isn't a term that comes to mind in the province of Alberta, but it's a reality for many of our fellow citizens. Having access to nutritious food at all times is something that most Albertans take for granted, but a report released in June 2007, Income-related Household Food Insecurity in Canada, found that in Alberta 10.7 per cent of households have income-related food insecurity. As a province we have the second highest rate of food insecurity in Canada.

Food insecurity means that individuals and families do not have access to affordable and nutritious food through socially acceptable means. There has been a lot of talk in this province about the housing crisis. We need to be aware that those who are facing a housing crisis have faced food insecurity first. The homeless are severely food insecure. The precariously housed are food insecure. Housing, transportation, child care, and food security are affecting the low-income Albertans.

Most alarming is the finding that Alberta has the highest prevalence of food insecurity among its income assistance recipients. The Alberta rate is 84 per cent, more than 20 per cent greater than the Canadian average of 60 per cent. Eighty-four per cent is an unacceptable finding of food insecurity amongst Alberta's most vulnerable residents. Clearly, income assistance rates in this province are inadequate.

Food security is essential for healthy eating. Without consistent economic access to sufficient nutritious food, healthy eating cannot be achieved, increasing the risk of poor health. Food insecurity is an issue in Alberta. It is a cost to productivity in this province, to our children's future, and to our health care system. There is a lot that a responsible government can and must do to solve this problem. There is no excuse for hunger in Alberta, Canada's wealthiest per capita province.

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

1:10 Lethbridge College

Mr. Dunford: Well, thank you, Mr. Speaker. It's been a very good year for Lethbridge, and today I would like to recognize Lethbridge College. The year 2007 is the 50th anniversary for Lethbridge College, and actually there is no other publicly funded college in Canada that can make that statement because Lethbridge Junior College was the first publicly funded college that came into existence in Canada. Of course, over those 50 years it has a tremendous mark of excellence that it has made in terms of postsecondary.

Now, recently with the help of the Alberta government we have been able to increase the trades and technologies area within the college not only in terms of the renovation but also spots for more electricians, more welders, and more heavy-duty mechanics. We have now a board at Lethbridge College that's led by an excellent entrepreneur and, of course, a recent new president, who comes to us highly recommended as an administrator.

There are some programs that I would like to highlight at Lethbridge College, although all of the programs are of excellent value, in particular, again, that trades and technology that I've just talked about but also broadcast journalism. Right throughout this country there a number of faces that we see on television as anchors and also, of course, beyond our borders and even into Washington. The Global man in Washington, by the way, I believe grew up in

Barrhead or Westlock. So an excellent, excellent program, and I want to congratulate all of them.

Lethbridge College, happy 50th. Look forward to the next 50 years.

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

Lougheed House Historic Site

Mr. Cenaiko: Thank you very much, Mr. Speaker. Historic sites like Lougheed House, located in the heart of my constituency, Calgary-Buffalo, keep our province's rich past alive. Preserving and protecting our heritage plays a key role in remembering who we are as a province and allows the next generation to help shape the future in building an even stronger Alberta.

Built in 1891, Lougheed House was the original home to Senator James Alexander Lougheed and his family. Lougheed House is a provincial historic resource and a national historic site dedicated to commemorating and preserving Calgary's early history. Discussions were held in the living room of Lougheed House with regard to the province of Alberta acquiring ownership of our natural resources in 1923.

Following the onset of the Depression in 1929 the Lougheed estate was unable to pay the property taxes on its real estate holdings. The city in 1934 took legal title to the house. Lougheed House is now owned by the province and operated in collaboration with the Lougheed House Conservation Society after a \$6 million renovation. As one of the city's most historic landmarks it will now receive additional support from our Premier and the Minister of Alberta Tourism, Parks, Recreation and Culture to continue sharing Calgary's proud past with Albertans and visitors nation-wide.

This beautifully restored building and gardens represent a tribute to the province's proud history. Lougheed House connects Calgaryans, Albertans, and visitors to our province with that proud past and gives us a glimpse into how Calgary became the great city it is today. The Lougheed family are proud Albertans with a rich heritage as leaders in our community, Alberta, and Canada.

Thank you very much.

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

Royalty Revenues

Mr. Mason: Thank you very much, Mr. Speaker. Alberta is envied the world over for the opportunity presented by its natural resources. The amount of extractable oil in its tar sands is second only to Saudi Arabia, and we are one of a handful of oil-producing nations where private companies can still do business. Thanks to this climate we have a very powerful bargaining position with respect to royalty rates.

The owners of these resources, ordinary Albertans, expect their elected representatives to obtain the maximum economic benefit possible for those resources through royalty rates. These expectations have not been fulfilled, Mr. Speaker. The Conservatives failed to implement even the bare minimum recommended in the royalty task force. Instead, they brought forward a royalty system that will bring in \$600 million less than the task force proposed in a single year.

The Liberals sat out most of the royalty debate, and only at the very end did they bring forward the vaguest proposal for a 20 per cent increase, the same per cent the Conservatives say they want. The Conservatives or Liberals don't talk about real value for royalties because they want to protect their political donations. The

Conservatives took \$580,000 from big oil and gas over the last two years. Nexen, Enbridge, Husky, Imperial Oil, EnCana, and Suncor are just a few of the companies that funded the Liberals to the tune of \$185,000 over the last two years.

Mr. Speaker, it's time Albertans earned as much for their resources as Great Britain, California, Indonesia, Russia, Norway, Azerbaijan, Alaska, and Trinidad. The Liberals and Conservatives are settling for bottom of the barrel royalties. Ordinary Albertans deserve better, and that's why Alberta's NDP is demanding more.

head: **Presenting Reports by
Standing and Special Committees**

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

Mr. Cernaiko: Thank you very much, Mr. Speaker. As chair of the Standing Committee on Government Services I am pleased to table copies of two documents today. The first document is the committee's final report and recommendations regarding Bill 1, the Lobbyists Act. The second document is the committee's report on Bill 2, the Conflicts of Interest Amendment Act, 2007.

Mr. Speaker, these reports are the product of 10 committee meetings. That's over 38 hours of meeting time, including eight hours' worth of public hearings over a few short months, not to mention the research, administrative, and procedural support of over a dozen individuals with the Legislative Assembly Office, including Mr. Robert Reynolds, Dr. Philip Massolin, Ms Rhonda Sorensen, and Ms Jody Rempel. I should also acknowledge the valuable support from the staff at Alberta Justice and the office of the Ethics Commissioner.

Mr. Speaker, it was a pleasure to work with my colleagues from both sides of the House on this committee and a privilege to chair one of this Legislature's first policy field committees. Thank you.

The Speaker: Hon. members, that was a historic report. That's the first time in the history of this Assembly, in 102 years, that such a process has been followed.

I now call on the hon. Member for Olds-Didsbury-Three Hills.

Mr. Marz: Thank you very much, Mr. Speaker. As acting chair of the Standing Committee on Community Services I'm pleased to table copies of two reports today. First is the committee's final report and recommendations regarding Bill 31, Mental Health Amendment Act, 2007. The second is the committee's final report on Bill 41, Health Professions Statutes Amendment Act, 2007.

Mr. Speaker, the committee met on both bills over a time frame of four months, held nine meetings, received 85 written submissions, and heard presentations from 21 witnesses at public hearings held in Edmonton. I want to acknowledge the legal research, administrative, and procedural support of individuals in the Legislative Assembly Office, including Ms Shannon Dean, Senior Parliamentary Counsel; Dr. Philip Massolin, committee research co-ordinator; Ms Katrin Roth von Szepesbela, legal research officer, and the research team; Ms Rhonda Sorensen and communications staff; and Mrs. Corinne Dacyshyn, committee clerk. The committee would like to acknowledge the very capable support from departmental officials at Alberta Health and Wellness as well.

Mr. Speaker, it was an honour to chair one of the Assembly's first policy field committees, and the committee is proud of the all-party co-operation demonstrated throughout this process. As well, I would like to thank the Premier for putting this very democratic process in place.

Mr. Speaker, I request the concurrence of the Assembly with

respect to the report on Bill 41, which recommends that the bill proceed with the recommendation that the minister consider imposing limits on the term of office for any person appointed as administrator.

The Speaker: Hon. members, before I ask for concurrence, just a note of information. The reason that there was no request for concurrence on Bill 1 and Bill 2 is because those bills were committed after second reading, as was the case in the report on Bill 31. However, the report on Bill 41, because it was sent to the committee after first reading, does require concurrence of the Assembly. So I'll ask the question: does the Assembly concur in this report?

Hon. Members: Concur.

The Speaker: Opposed? It's carried.

head: **1:20 Presenting Petitions**

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

Mr. Elsalhy: Thank you, Mr. Speaker. This petition has 82 signatures. It's a continuation of a similar petition from the spring, where it reads:

Whereas the ongoing rent affordability crisis is contributing to Alberta's worsening homelessness situation, we, the undersigned residents of Alberta, hereby petition the Legislative Assembly to urge the Government of Alberta to take immediate, meaningful measures to help low-income and fixed-income Albertans, Albertans with disabilities and those who are hard-to-house maintain their places of residence and cope with the escalating and frequent increases in their monthly rental costs.

Mr. Lund: Mr. Speaker, I wish to present a petition signed by a number of constituents from the Rocky Mountain House constituency urging the passing of Bill 45.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to present a petition signed by 266 Albertans, mostly from Edmonton and area. They are asking the Assembly to urge the government to ensure that remuneration paid to people working with people with disabilities is standardized to ensure that employees are fairly compensated, that employees have access to professional development opportunities, and to introduce province-wide service and outcomes-focused level of care standards.

Thank you, Mr. Speaker.

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Municipal Affairs and Housing.

Mr. Danyluk: Thank you very much, Mr. Speaker. I'm pleased to table with this Assembly five copies of questions and responses to the hon. Member for Edmonton-Decore and the hon. Member for Edmonton-Calder. Contained in this is supplementary information to my responses as stated in *Hansard* and responses to unanswered questions for the Committee of Supply on June 7, 2007.

Mr. Speaker, I also am pleased to table with the Assembly today five copies of the 2006-2007 annual report for Municipal Affairs and Housing.

Mr. Speaker, I'm pleased to table with the Assembly today five copies of the 2006 annual report for the Alberta Elevating Devices

& Amusement Rides Safety Association. The AEDARSA is one of the delegated administration organizations that reports to Alberta Municipal Affairs and Housing.

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

Mr. Groeneveld: Thank you, Mr. Speaker. I'm pleased to table today annual reports for the year ended March 31, 2007, for the Agriculture Financial Services Corporation and for Livestock Identification Services.

Ms Calahasen: Mr. Speaker, today I rise to table five copies of a petition signed by 76 concerned citizens of Slave Lake and surrounding area urging the Legislative Assembly to "consider the addition of 25 more extended care beds for Slave Lake's aging population." People are finding it very difficult to travel back and forth.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings today. The first is a letter dated July 12, 2007, that I received from the hon. Minister of Energy, and it is regarding the security measures taken by the Alberta Energy and Utilities Board during the 500 kV transmission line hearing in Rimbey.

The second tabling that I have today is a letter that I wrote on September 14, 2007, to the hon. Premier of Alberta requesting "a full public inquiry into the Alberta Energy and Utilities Board (EUB), and specifically, the EUB's practice of hiring private investigators to attend and report on members of the public who take part in EUB hearings."

Thank you.

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

Ms Blakeman: Thank you, Mr. Speaker. Three tablings today, the first from constituent Ryan Warden, expressing his opinion to the Premier, asking him to accept the findings of the royalty review in its entirety and expressing concern about police, senior citizens, first-time homebuyers, and our best and brightest being driven away.

Second is from Mary Elizabeth Archer, also a constituent, asking for a plan to address the growing human resource crisis in the human services sector by asking for an increase in wages, benefits, and supports and also to invest in a three-year social infrastructure plan.

Finally, from constituent Vernita Caron (Beaudoin), who writes to express her frustration and concern with the health care system. She feels there is far too long a waiting time in the hospitals and believes that it's less of a service than would be received in a third-world country.

Thank you, Mr. Speaker.

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

Mrs. Mather: Thank you, Mr. Speaker. I have three tablings today. The first is from Lindsay Chevrier, a constituent of mine, saying:

There is a shortage of more than 5000 units of affordable housing in Edmonton, waiting lists for existing units are years long, vacancy rates are zero, and few new units are being constructed. We must do something! Please give this great consideration and act fast!

Another letter, from Gabe Krahn: "I ask that the government continue to make a concerted effort to help alleviate this problem" of homelessness in this province.

Finally, from Jaysey Carlson: "Like everything else in prosperous

Alberta, the cost of educating our children is increasing. Provincial grants for education are not keeping up with rising costs . . . Don't short-change our future. Please make education funding a priority."

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

Mr. Backs: Thank you, Mr. Speaker. I am pleased and honoured to rise in our Legislature here today to make two tablings. One is the program for the proclamation of Family Violence Prevention Month from the city of Edmonton last week. It was ably chaired by Lynda Steele of Global news, who also was kind enough to autograph copies of her book for people there that day.

The second is a communication from 190 Edmontonians about the problems of particular predator violence.

Thank you.

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

Mr. Elsalhy: Thank you, Mr. Speaker. I have two tablings today. The first one is a letter from Edmonton-McClung constituent Dr. Inderjit Singh Chohan, with respect to racial discrimination within publicly funded institutions, in this case Capital health, and what he believes to be a clear case of abuse of mental illness labelling to cover up the bigger issue of racism in the workplace.

The second tabling, Mr. Speaker, is called *In Full Swing at the New Building*, which is an exact copy of a book produced back in 1907 to celebrate the first Young Men's Christian Association, or YMCA, in Edmonton. This archival treasure was shared with me by Mr. Franco Savoia of the YMCA when I attended the centennial birthday open house at the west-end location in my constituency of Edmonton-McClung.

Thank you.

The Speaker: Hon. members, I'd like to table with the Assembly – and I will be providing copies to all members – a little booklet being put together called Page Biographies. It covers a bit of a biography of each of our pages. Quite interestingly, of the less than 20 of them I think five of them aspire to become doctors, two aspire to become lawyers, two aspire to become federal politicians, none aspire to become a provincial politician, and one aspires to become a professional golfer on the PGA. So enjoy reading them. I think they're quite fascinating people.

Mr. Martin: I would just like to bring forward a point of order after question period, Mr. Speaker.

The Speaker: Okay.

head:

Tablings to the Clerk

The Clerk: I wish to advise the House that the following documents were deposited with the office of the Clerk: on behalf of the hon. Ms Evans, Minister of Employment, Immigration and Industry, pursuant to the Land Surveyors Act the Alberta Land Surveyors' Association report of proceedings of the 98th annual general meeting, April 27, 28, 2007; the Alberta College and Association of Chiropractors' radiation health administrative organization annual report, year ended June 30, 2007, with attached financial statements, Alberta College and Association of Chiropractors, dated June 30, 2007; the Alberta Veterinary Medical Association radiation protection program 2006 annual report with attached auditor's report on radiation protection program, dated November 20, 2006; the Alberta Dental Association and College 2006 radiation health and safety

program annual report, January 1, 2006, to December 31, 2006, with attached financial statements, Alberta Dental Association and College radiation administration program, dated December 31, 2006; the College of Physicians and Surgeons of Alberta radiation health administrative organization annual report for the period April 1, 2006, to March 31, 2007; the University of Alberta authorized radiation health administrative organization annual report 2006-2007; the University of Calgary authorized radiation health administrative organization annual report for the period April 1, 2006, to March 31, 2007, with attached financial statements for the years ended March 31, 2007, and 2006.

head: 1:30

Oral Question Period

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

Royalty Revenues

Dr. Taft: Thank you, Mr. Speaker. The Auditor General's report, the most recent one, provides shocking insight into this government's incompetence. Despite all of the evidence indicating that Albertans were being shortchanged on royalties, this government year after year after year did nothing. My question is to the Premier. On page 107 of his report the Auditor General refers to an executive committee decision request dated October 4, 2005. Will the Premier table this document unedited and uncensored for all Albertans to see?

Mr. Stelmach: Mr. Speaker, yesterday in this Assembly it was Dr. Doom. Today it's Phantom of the Billions. He just keeps coming up with all kinds of these stories.

I resigned from cabinet in March of 2006 to seek the leadership of this party. I heard from Albertans that they had some questions with respect to the royalty review. I made a commitment that if I was elected and sworn in as Premier, the first thing I would do is call for that review. I did. In September the report was given to the government. We also had the report from the Auditor General. All of that was made public. We also immediately – immediately – upon receiving the report from the panel gave it to all Albertans because they own the resources. We got feedback from thousands of Albertans.

We have a good decision in place. This is all about leadership. It's taking a stand and keeping commitments that I give.

Dr. Taft: Also on page 107 of his report the Auditor General refers to another document entitled Alberta Royalty Review 2005: Some Additional Questions, dated March 2006. This document predicts that Albertans could collect an additional \$1 billion to \$2 billion annually at prices for natural gas above \$5. The Auditor General confirms that the minister of the time was briefed on this document. Will this Premier live up to his claim of being open and accountable and table this document unedited and uncensored for all Albertans to see?

Mr. Stelmach: Mr. Speaker, I am open and accountable. In fact, I also want at this point to take an opportunity to thank the leader of the third party. At least we know where he stands on the whole issue of royalties. This guy is hiding behind you two. You don't even know. It's at 20 per cent, but he doesn't know where he takes a stand on it. And today he comes up asking for all kinds of documents. Did you ever hear of where his stand is? No, no. Not even for 30 seconds. Nobody knows. In fact, not even his members know.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. The Premier needs to end the cover-up. He needs to come clean with the people of Alberta. The Auditor General refers to a 2004 royalty review culminating in a cross-commodity royalty review and assessment dated December 20, 2004, three years ago. This document again suggests increased royalties as prices rise, and the Auditor General again confirms that the minister was briefed on this document. Will the Premier end the cover-up, come clean with Albertans, and table this and all those other documents uncensored for all Albertans to see?

Mr. Stelmach: Finally the Leader of the Opposition is agreeing with our policy, which means that Albertans now have the opportunity, given this royalty framework, to share in the reward, which means that as prices go up, our royalties will increase, and if prices decline, we will get less. That's the Alberta entrepreneurial spirit, and that's what this framework was built around. Now we know that at least the Leader of the Opposition agrees with part of the framework. At least we now know where you stand.

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

Dr. Taft: Thank you, Mr. Speaker. This government is clearly in denial. They're clearly continuing the cover-up. Yesterday the Premier claimed that despite all of the overwhelming evidence before him, he can't see where this province of Alberta was shortchanged. Well, he needs to look a little more closely. The Auditor General of Alberta confirms that we lost billions. The Department of Energy technical experts say that we lost billions. The Royalty Review Panel concluded that Albertans were shortchanged billions. Is it the Premier's position that all of these individuals, all of these experts, are mistaken?

Mr. Stelmach: I know there's one person in this Assembly that is wrong, that is mistaken, and I'm quite sure he's going to get up and say, "Yes, I made a mistake." He advocated for building upgraders in Manitoba.

Dr. Taft: This government has been advised by the Department of Energy's own experts, by the Auditor General of Alberta, and by the expert Royalty Review Panel that billions of dollars of public wealth were left on the table. In the face of all this evidence the Premier denies, denies, denies. Who is advising the Premier that all of the conclusions drawn by all of the experts are wrong? Who is advising him?

Mr. Stelmach: Mr. Speaker, very smart people. All the people that are on the government side sitting in this Assembly. I receive my advice from locally elected officials, those MLAs in this House that bring back comments and thoughts from their constituents. We take advice, obviously, from others, but at the end of the day in this government the decisions are made by government, not listening to advice that may come from bureaucracies. That's advice, but the decision is still vested in the highest office of this province, in the Premier's office, and with our government, period.

Dr. Taft: The Premier must be accountable to Albertans. If the Premier has evidence that contradicts his own government studies and contradicts the independent public reports put forward by the Auditor General and the Royalty Review Panel, he should make them public today. Be accountable. Will the Premier do the right

thing and table all internal reports, reviews, and other documents that support his position that Albertans were not shortchanged, or does he have any?

Mr. Stelmach: Mr. Speaker, yesterday the Auditor General again made a comment to one of the reporters. I forget which newspaper. He said: look; this is a policy decision that was made by the government of the day, not by any external advisers, not by anyone else but the government. That decision was right. Look at the growth in this province. Look at the people that we have here from other countries that are coming here to Alberta because there's hope and there's opportunity.

You know, there's something. When you get out of this Assembly and actually travel around the province – something a young person told me the other day really hit me in the heart. He said: “You know, Mr. Premier, this is the only province in Canada where my grandfather, my father, and I have opportunity in the same province. I don't have to leave my province to go anyplace else in this country of Canada. It's here, in Alberta.”

Dr. Taft: I've been travelling around the province, Mr. Speaker, and I can tell you that Albertans know they have been ripped off by this government on royalties for seven years. They know it in their hearts, and they live it every day.

To the Premier. Albertans who travel on highway 3 near Lethbridge have been told that the highway will be twinned, quote, as fast as the budget allows, end quote. At the soonest it will be many years. Why did this government choose to make the people of southern Alberta wait for a highway while it let billions of dollars in royalties go uncollected?

Mr. Stelmach: Once again, the hon. member – and the thing that really surprises me: I thought he had a PhD in economics. Really weird here.

Anyway, if you look at the kind of revenue stream to the province of Alberta, Mr. Speaker, they keep focusing on just royalties. If you look at the annual reports, you will see much larger revenue coming from taxes: personal income taxes, well above estimates; corporate tax, well above estimates. The amount of Crown leases that were bought in this province is simply outstanding. Why? Because we have a very predictable, sustainable environment for continued investment, the best in Canada. We're going to continue to stay on that track because that investment is necessary not only to build highway 3 but all other highways that are necessary.

1:40

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. My next question is to the Minister of Energy. In Grande Prairie citizens are hoping for a NAIT campus to be built there any time soon. The land is available, but NAIT has been told by the province that no money will be forthcoming for capital projects at this location. Why did this government choose to make the people of northwestern Alberta wait for a desperately needed NAIT campus while it let billions of dollars in royalties go uncollected?

The Speaker: The hon. the Premier.

Mr. Stelmach: Yeah. Once again, he's totally wrong. There is a good plan in place in Grande Prairie in terms of increasing access to postsecondary.

Dr. Taft: Where's the NAIT campus?

Mr. Stelmach: Well, again, that's where you don't know what you're talking about. Now the minister will give us the right information.

The Speaker: The hon. minister.

Mr. Horner: Thank you, Mr. Speaker. We are in discussions with NAIT in Grande Prairie on the Campus Alberta program, and it's an access plan.

Dr. Taft: Discuss, discuss, discuss. We want some action, you guys.

Again to the Minister of Energy. Citizens in Grande Prairie are waiting for funding to support a new aquatic centre for citizens there to enjoy. How is it that this government cannot afford to help the people of Grande Prairie with a swimming pool, but it can let billions of dollars of royalties go uncollected?

Mr. Stelmach: Again, the new – the new – recreation centre in Grande Prairie – and I believe it's about \$90 million – is being built. You know why, Mr. Speaker? Because of the new money – new money – that's going into the budget, \$1.4 billion for municipalities that will start in the year 2010-11. That's over and above a brand new hospital for Grande Prairie – and we know the needs – and also the ring road for the city of Grande Prairie. Those were the priorities of the people in that city, and that's why we're building them.

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

New Royalty Framework

Mr. Mason: Thanks very much, Mr. Speaker. Until this government announced its new royalty regime, Albertans were receiving less royalties than any other country in the world. In two years from today, thanks to this speaker, we will be receiving higher royalties than Ireland. Now, that means that we're still behind Russia, Australia, California, Alaska, Libya, Egypt, Azerbaijan, Nigeria, Venezuela, Angola, and Trinidad and Tobago. So can this Premier tell us why his royalty regime will have Alberta collecting less royalties than almost every other country in the world?

Mr. Stelmach: Mr. Speaker, I thought there for a while the leader of the third party was going to sing: I've been everywhere, man. But it was very good.

Once all of the framework is in place, all the agreements are in place, we'll be able to better determine where we're going to be with respect to comparison to other countries. There are so many different comparisons. There are, of course, different zones to drill into. Some of the other issues tied to the environment – we have very tight environmental rules in the province of Alberta compared to some of the other countries that were mentioned. There's a lot here to consider.

Mr. Mason: Mr. Speaker, this chart from the royalty task force shows that Alberta receives amongst the lowest royalties in the world, and this will not change with the government's new regime. My question to the Premier is: why did he cave in to the big oil companies and give them bargain basement royalties?

Mr. Stelmach: Mr. Speaker, I know where the leader of the third party stands on the royalty review. He's supporting the panel in its

entirety. He wants a production tax, which goes back to the old strategy a former party from Ottawa imposed on Alberta that drove Albertans out of the province, created a situation where people actually couldn't pay off their mortgages, had to leave. Businesses went broke. At that time I remember that interest was around 24 per cent, because I paid that interest rate. We're not going back to that kind of model of collecting royalties.

Mr. Mason: Mr. Speaker, I just heard the Premier compare the royalty task force to the Trudeau government's national energy program. So my question is: if they came up with something that's equivalent to the national energy plan, Mr. Premier, why did you appoint those individuals?

Mr. Stelmach: Well, he's supporting the task force recommendations. Now he says: why did you appoint them? You know, that's just like some of the other comments I heard about: the process is tarnished; their appetite for royalty change is not significant; we have a flawed process. Then at the end they're all supporting the report. Make up your mind. It's either here or there. It can't be both sides.

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

Beef Safety

Mr. Marz: Thank you, Mr. Speaker. Recent reports have indicated that an E coli outbreak in hamburger meat distributed by a U.S. company led to a number of illnesses. An investigation traced some of that meat back to an Alberta processor, resulting in a recall across the United States and Canada. This is a real concern to producers as to how it will affect their industry. To the Minister of Agriculture and Food: could he tell us what causes E coli, and what assurances does he have for Albertans and our customers that Alberta meat is indeed safe?

The Speaker: The hon. minister.

Mr. Groeneveld: Thank you, Mr. Speaker. E coli is a naturally occurring bacteria in digestive tracts of cattle, and it certainly becomes an issue during processing, of course, when the bacteria comes in contact with the meat.

Alberta meat continues to be very safe. We have strict sanitation, inspection, and testing procedures. Raw meat is never sterile. Consumers should always follow safe food practices when they handle meat and cook their burgers very thoroughly.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. To the same minister: with the Alberta livestock so dependent on exports, will this recent outbreak cause significant and long-term damage to our beef industry? [interjections]

Mr. Groeneveld: Mr. Speaker, probably not a laughing matter, I don't think. This is a serious issue in all of Canada, not just Alberta.

The federal government, the embassy, CFIA, and our government certainly are in discussions over what the new measures might mean. Federal meat processing facilities already have testing requirements from the U.S. Department of Agriculture. We will continue to work with CFIA in its ongoing negotiations with the U.S. because we have to minimize any negative impacts on our exporters.

Mr. Marz: Again, Mr. Speaker, to the same minister: what steps are

being taken to reassure both our domestic and our international customers that our beef is safe?

Mr. Groeneveld: Mr. Speaker, the Alberta government along with CFIA believes that any U.S. action is certainly unwarranted. The U.S. supports the same type of safety controls that we have here in Canada. Alberta meat is known throughout the world as a safe and high-quality product. One single incident in a federal facility has not changed this. Again, we will continue to work with CFIA and our federal counterparts on lifting any new and unnecessary U.S. trade restrictions.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Whitecourt-Ste. Anne.

Staffing of Human Service Agencies

Mrs. Mather: Thank you, Mr. Speaker. A few months ago community organizations throughout Alberta launched a campaign about the crisis facing agencies charged with assisting our society's most vulnerable members, the aptly named Who Cares? campaign. Only now, after a great deal of public outcry, has the Ministry of Children's Services seen fit to demonstrate a small measure of token acknowledgement. My question is to the Minister of Children's Services. Why did the ministry allow this situation to become so severe before reacting instead of being proactive in protecting Alberta's most vulnerable?

The Speaker: The hon. minister.

Ms Tarchuk: Thank you, Mr. Speaker. The first thing I'd like to say is that I have been working with my contracted agencies long before the campaign that the hon. member speaks about. Frankly, when that came out – Who Cares? – I can say that I care, and I can say that everybody on this side of the government cares about these contracted agencies.

Mrs. Mather: In addition to problems facing the nonprofits in this sector, this government's practices have made them worse. Why does this minister continue to allow for gross pay inequity for nonprofit employees when compared to their much higher paid counterparts in government agencies? Is the ministry aware that this practice of paying one group substantially more than another is poaching from an already scarce pool of workers?

1:50

The Speaker: The hon. minister.

Ms Tarchuk: Thank you, Mr. Speaker. First of all, I can tell you that I take this issue very seriously. Contracted agencies are 25 per cent of our close to a billion dollar budget in Children's Services. As I mentioned yesterday, I have spent a lot of time in the last couple of months going out and visiting with contracted workers in their facilities. I can tell you, as I said yesterday, that I am in awe of what it is that those people accomplish. What amazes me even more is that these people can be working anywhere else in the province doing something else if they want. They choose to work with our kids. They're doing a fabulous job.

I am working with them and going through the budget process in terms of narrowing the gap regarding the issue that you're talking about. Yesterday was good news in offering immediate dollars to help with some immediate issues.

Mrs. Mather: This increase of about 30 cents per hour in wages to

people who find this a calling that the minister thinks is pretty good will barely cover the cost of annual health premiums for one family. This is a dismal indication of how much importance this government places on this crucial sector and the demanding, high-stress, essential jobs these workers perform. Will the minister please tell us what other more meaningful and effectual reforms will be instated and when?

The Speaker: The hon. minister.

Ms Tarchuk: Thank you, Mr. Speaker. I can commit to the fact that I will continue to work with contracted agencies on their current needs and their future needs during the budgeting process. Again, I think that yesterday's funding of \$26 million was good recognition of the important work that these agencies do and also allows them to take care of the more immediate pressures.

The Speaker: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-McClung.

Forest Industry Sustainability

Mr. VanderBurg: Thank you, Mr. Speaker. My constituency of Whitecourt-St. Anne has a very prominent forest base. Communities within my riding are concerned that the forest industry may not survive the infestation of pine beetle and now the impact of a record-high Canadian dollar affecting exports into the U.S. Industry players big and small need to know that this government is solidly behind them. To the Minister of Sustainable Resource Development: what is your department doing to address the plight of Alberta's forest-based companies and communities?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. These are tough times, indeed, for the Alberta forestry industry. They've been hit by the perfect storm: the collapse of the export market, the pine beetle, soaring labour and transportation costs, the softwood lumber agreement export tax, and the loonie going first to par and now past par with the U.S. dollar. I had the opportunity to meet with the Alberta Forest Products Association in September. We discussed these issues. I was able to announce a new committee that's being struck, the Alberta forestry sustainability committee, with three MLAs and three senior industry executives on that committee. The MLAs will be led by the Member for Peace River and will also include the members from Calgary-Nose Hill and Battle River-Wainwright.

Thank you.

The Speaker: The hon. member.

Mr. VanderBurg: Thank you, Mr. Speaker. Thank you for that answer. I want to thank the minister also for visiting the forest-based companies in my constituency. I want to know from this minister: when will this work by this committee start, and what's the focus of the work to be done?

Dr. Morton: Mr. Speaker, the committee has been struck. Their first meeting will be later this month. What will they be doing? A broad range of questions that look at the competitiveness and sustainability of the industry. This would include improved forestry management techniques; innovation in products, especially in the areas of bioenergy and biochemistry; also carbon offsets for this

government's new clean air emissions program; new technology and new investment to pay for that technology; new markets, questions of other opportunities; and transportation. The focus will be on: what can the government of Alberta do to work with industry to facilitate this innovation?

The Speaker: The hon. member.

Mr. VanderBurg: Well, thank you, Mr. Speaker. Like I explained earlier, this industry is in trouble now. I want to know from this minister: when will this report come back, and when will he act upon it?

Dr. Morton: Mr. Speaker, the members of the committee understand the priority that I and the rest of the government placed on them and on this report. I've asked them to move as quickly as possible. I've asked for a draft report by the spring of 2008. I have full confidence that the committee will meet that deadline and it will reinforce this government's policy of healthy forests, healthy forest communities, and a healthy forest industry.

The Speaker: The hon. Member for Edmonton-McClung, followed by the hon. Member for Calgary-Fort.

Edmonton Remand Centre

Mr. Elsalhy: Thank you, Mr. Speaker. Delays and indecisiveness, trademarks of this PC government, are now costing taxpayers money. The latest example is the new Edmonton Remand Centre, which is now going to cost taxpayers an extra \$312 million at least, which is a jump of about 101 per cent. The reason given, as always, is construction cost overruns, not the government's own bad planning and foot-dragging. My question to the Solicitor General is this. If I believe the cost overrun story, can the minister assure this House that he has reviewed these increases and that he is satisfied that they are legitimate and justified, that no one is taking taxpayers for an expensive ride here?

The Speaker: The Minister of Public Security and Solicitor General.

Mr. Lindsay: Well, thank you very much, Mr. Speaker. The good news is that we're building a facility that is very much needed in our province. In regard to the cost overruns that you just spoke of, certainly the costs have escalated. When the estimate was done in 2005, \$304 million, the site hadn't been selected yet, and the detailed design hadn't been selected yet. We need the spaces, and we will ensure that taxpayers are getting the best value for their dollar.

I would ask the Minister of Infrastructure and Transportation if he wants to supplement.

The Speaker: The hon. member.

Mr. Elsalhy: Thank you, Mr. Speaker. I agree with the minister. The remand space is needed. It was needed four years ago.

The province owns the land; they don't need to buy it. In fact, the government's own 2007 budget boasted under the heading Alberta's Major Capital Accomplishments that this was under way and that we have "selected [the] site for the new \$308 million Edmonton Remand Centre." Again to the Solicitor General: why did construction not begin immediately after the site was chosen?

The Speaker: The hon. minister.

Mr. Lindsay: Well, thank you, Mr. Speaker. It would not be prudent to start construction on a facility until such time as you do a detailed design and a detailed analysis of the site. We've done that, and now we're proceeding.

Mr. Elsalhy: Mr. Speaker, I am concerned, as are many taxpayers in this province, that our government does not only let billions of dollars in uncollected revenue disappear on us and deny that an opportunity was ever lost, but it also gives in to any and all contractors who apparently and frequently lowball their offers to win those bids only to come back later and ask for more money. In my book a contract is a contract, and people should adhere to what they agreed to. Can the minister confirm whether or not any progress-monitoring measures, conditions, timelines, or performance bonds were ever put in that contract?

Mr. Lindsay: Mr. Speaker, if he's talking about the contract for the Remand Centre, we're in the process of developing that contract now, so of course there are going to be checks and balances there to make sure that we don't have a cost overrun. The information was put together by Infrastructure and Transportation. I have all the confidence in the world in it, and if the minister would like to supplement, I would invite him to do so.

Mr. Ouellette: Mr. Speaker, we've decided to take this contract on with a contract management. Therefore, Stuart Olson will be doing that contract. They'll be putting out bids to every subcontractor out there. We will overcheck those bids. Stuart Olson is going to manage the job, and we believe we will get the best value for the taxpayers' money.

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

Affordable Housing

Mr. Cao: Thank you, Mr. Speaker. Homelessness and affordable housing are of great concern to my caring constituents. During the summer I attended several meetings on housing needs, and most recently at a meeting organized by the Calgary Homeless Foundation, I heard Dr. Sam Tsemberis of New York speaking on the Housing First program that he has successfully founded in New York City. My question today is to the associate minister of housing. Is the government of Alberta considering this model for the homeless in our province?

The Speaker: The Associate Minister of Affordable Housing and Urban Development.

Mrs. Fritz: Thank you, Mr. Speaker. The Housing First model is an excellent example, and it's excellent for how the community homeless foundations and the housing trusts in our seven major municipalities in Alberta are changing their approach to addressing the needs of the homeless. They have a very bold, innovative plan that is looking forward to ending homelessness in our province within a 10-year period, and it's through an innovative approach that completely changes the conventional method of assisting the homeless. That means that the individual will be assisted through Housing First. Then they will be assured supports and services, and that will bring back their integration into the community.

2:00

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. To the same minister: recently the Alex community health centre in Calgary announced the hospital discharge project for the homeless. How does this relate to the Housing First model?

Mrs. Fritz: Well, Mr. Speaker, this hospital discharge program is a pilot project. Currently in Calgary there are approximately five individuals a day that access emergency services at hospitals. They are then discharged back into the community to the shelter, usually with needs for medication or dressing changes. They have a host of needs that are medical. What the Alex community health centre proposal will do is stop the revolving-door syndrome for 50 chronically homeless Calgarians by providing them with housing in the community, with their own apartments, where they will then have 24-hour access to a seven-member professional team made up of nurses, physicians, et cetera, that will address those needs.

The Speaker: The hon. member.

Mr. Cao: Well, thank you, Mr. Speaker. To the same minister: what are the costs associated with this pilot project?

The Speaker: The hon. minister.

Mrs. Fritz: Thank you, Mr. Speaker. Our current method of responding to the chronically homeless requiring hospital treatment is well known. It's approximately \$150,000 per person. The Housing First model, the hospital discharge program, which will include, as I said, housing for 50 individuals a year as well as the support and treatment through a very professional team, is estimated to be approximately \$30,000 per person per year. You can see that that's a savings of about \$120,000 per person per year.

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

Labour Relations Code

Dr. B. Miller: Thank you, Mr. Speaker. For years this government has promoted policies that unfairly discriminate against workers. The labour code established in 1988 is overdue for review. My question is to the Minister of Employment, Immigration and Industry. What is your policy in respect to reviewing the labour code? In response to the demands of thousands of workers, it appeared that the minister was promising a review but has since backtracked, running away from her promise.

Ms Evans: Mr. Speaker, in 2002 the then minister initiated a discussion relative to a review between both employers and employees. There was absolutely no decision made to advance any kind of review of the Labour Relations Code.

Earlier this year, right from January, when I had first a chance to take a look at some of the issues, I talked to different labour groups, I talked to different employers, and I had not one request until September, at roughly the time there was conflict between some of the members of both the union and the management on certain labour relations agreements, for any kind of review. We are satisfied that our Labour Relations Code works.

The Speaker: The hon. member.

Dr. B. Miller: Thank you, Mr. Speaker. The Supreme Court of Canada in June of this year submitted an important decision, a

historic decision in respect to collective bargaining. It set the bar quite high in making it clear that legislation which substantially interferes with the collective bargaining process is on a collision course with the Canadian Charter of Rights and Freedoms. This is yet another reason for reviewing the labour code. I wonder if the minister would now, in the light of the Supreme Court, move forward with a review of the labour code to make sure that a whole list of items – the first-contract process, use of replacement workers, et cetera, et cetera – could be in violation of the Canadian Charter of Rights and Freedoms.

The Speaker: The hon. minister, but we will avoid legal interpretations.

Ms Evans: Yes, Mr. Speaker. That is not something that I can address.

We have two groups in the province of Alberta that have issued a Charter challenge that is known before the courts.

Dr. B. Miller: Mr. Speaker, I was referring to a decision that's already been made, the Supreme Court of Canada's decision. Surely the minister should proceed on the policy issue, you know, and be proactive, not wait. It's like saying: "It's okay to break the law. You might get caught." We have to be proactive and change the laws.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Bonnyville-Cold Lake.

Rent Regulation

Mr. Martin: Thank you, Mr. Speaker. Last week the government made a grandiose statement that they were going to end homelessness within 10 years. Ironically, at the same time the number of families waiting for affordable housing in Edmonton passed 3,000. That's 500 more than it was six months ago, 20 per cent more than when the government responded to the government housing task force. Frankly, no government since the 1930s has done more to create homelessness. My question is to the Minister of Municipal Affairs and Housing. My question is straightforward: when will this government get off its ideological hobby horse and do the right thing and bring in rent guidelines?

Mr. Danyluk: Well, Mr. Speaker, I could answer the member's question by saying that this government has very much been proactive in its direction in trying to deal with individuals that have the challenge of housing, that have the challenge of homelessness. I don't want to be on the same broken record that maybe I was on in the spring, but \$285 million of new money was put into the budget last year.

Mr. Martin: Well, Mr. Speaker, 500 more people are on the waiting list here in Edmonton. The same in Calgary. The same in Fort McMurray. Everywhere. We know now that the vacancy rate in Edmonton is going to be less than 1 per cent. Calgary has been at .5 per cent for months. Fort McMurray-Wood Buffalo is at .2 per cent. It's time, Mr. Minister, for this government to realize that the market is not working. We're getting worse instead of better. I again ask the same minister: what will it take for this government to implement rent guidelines, making it possible for Albertans to sleep at night knowing that they'll be able to afford to sleep in the same place a month from now?

Mr. Danyluk: Well, Mr. Speaker, we're not going to implement something that we know is not going to work. We need to have a focus and a direction that is going to have housing increased. We increased funding by \$14.3 million, to \$33 million, to assist 6,700 Alberta households. This includes \$9 million for the direct rent supplement program.

Mr. Martin: Mr. Speaker, the point is that it's not working. Things are getting worse. That's the message we're trying to get through to this thick-skulled government. My question, then, simply is this to this minister: with the situation getting worse – they refuse to work on rent guidelines – what is the message we're saying to people that are spending 50 to 60 per cent of their income on rents and the homeless and all the rest of them? Are we really saying that the message is: "Enjoy yourself. Enjoy your cardboard box. Because that's all we're going to do for you"?

Mr. Danyluk: Well, Mr. Speaker, we do understand that the situation and the challenges are getting greater. That's why we are doing things differently. That is why we looked at systems in the United States, in different parts of the world, as Housing First, that the hon. associate minister is working on, to look at having housing for the homeless, to bring forward different types of direction and focuses that put people in homes, that give individuals the stability of having a house or a home.

The Speaker: The hon. Member for Bonnyville-Cold Lake, followed by the hon. Member for Calgary-Varsity.

Mumps Vaccination for Adults

Mr. Ducharme: Thank you, Mr. Speaker. Last week the government announced that it will be providing a second mumps vaccination to young adults. Free vaccinations are now available to young people attending Lethbridge postsecondary institutions, where a number of cases have occurred, and the vaccine will be available to youth province-wide next month. My question is to the Minister of Health and Wellness. Why is government waiting until December and possibly allowing the virus to spread before making this vaccination available to all young Albertans?

The Speaker: The hon. minister.

Mr. Hancock: Thank you, Mr. Speaker. This is actually a very important topic. It has been discovered recently that a certain cohort of young adults did not get a second mumps vaccine when they were children, so anyone born after the year 1970 and under the age of, say, 26 or 27 is at risk for contracting mumps as an adult, which can be a very serious health risk to them.

There have been outbreaks of mumps at a university in New Brunswick, and now we've seen mumps cases at the Lethbridge Community College and the University of Lethbridge in Alberta. We've moved immediately to acquire the necessary vaccine to have vaccinations done in Lethbridge for young adults of that age cohort, and we're moving to get the vaccine to provide that to the rest of the province.

2:10

Mr. Ducharme: Mr. Speaker, my last question to the same minister: will this vaccination put additional strain on the health care system, especially since the flu season is fast approaching?

Mr. Hancock: Yes, Mr. Speaker, it will. It's important for us to move to get the vaccine, first of all, that we need to make sure it's

available to all young adults who were born after the year 1970 and who are under the age of 26 or 27. We will move to have that vaccine available, and in December we will start a vaccination program across the province. We hope to align the vaccinations with other vaccinations that are happening; in other words, if people are getting a flu shot, we can align those resources. We are working with the health authorities to make sure that we have the appropriate human resources in place to accomplish this. Will it put a strain on the process? Absolutely. Is it necessary? Yes.

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

Deferred Infrastructure Maintenance

Mr. Chase: Thank you, Mr. Speaker. Deferred maintenance is the most important problem facing Alberta's infrastructure. It is maintenance that has already been put off at least once. It is overdue, and there is according to the Auditor General over \$6 billion worth of it in this province. My questions are to the Minister of Infrastructure and Transportation. How could this government possibly stand by over so many years underfunding vital maintenance until, as the Auditor General puts it, public safety may be at risk?

Mr. Ouellette: Mr. Speaker, we're working very, very diligently and hard on making sure that we try to catch up. We admit we do have a backlog in deferred maintenance. We've worked on our capital plan and our budgets to increase that. We've increased them this year, and we are working as fast as we can. Remember, we have such a fast-growing province here and we have such a heated economy that we don't necessarily have the capacity to get it done as quickly as we'd like to.

The Speaker: The hon. member.

Mr. Chase: Thank you, Mr. Speaker. The Auditor General showed that this government hid from Albertans that we could have been pulling in billions more in royalties. He showed up another aspect of their secrecy, that there is "little public information on deferred maintenance." I guess there's no point in giving evidence of quite how incompetent their management of infrastructure has been. Unfortunately, hiding from a problem doesn't make it go away. It's time to come clean. Exactly how much is the current deferred maintenance backlog?

Mr. Ouellette: Mr. Speaker, I think today if we looked at every single thing that is out there, if we talked roads, buildings, schools, hospitals, we're getting close to that \$4 billion to \$5 billion range.

Mr. Chase: Well, that is certainly a conservative estimate. Over 60 roofs in Calgary schools are leaking, and some ceilings are even collapsing. Brentwood elementary, Western Canada high school, Ernest Manning high – the list goes on and on. Getting an education in Alberta should not be hazardous to your health, and that's not to mention the crumbling hospitals and the potholes littering our highways. This is what a \$700 million deferred maintenance bill means for Calgary school boards. This is what a \$6 billion maintenance shortfall means for this province. All of its legacy of underfunding . . .

The Speaker: The hon. minister.

Mr. Ouellette: Mr. Speaker, I just have to say that I don't know where this . . . [interjection] Oh, he's still screaming. I don't know where he's getting his information from. We fund the school boards with maintenance dollars, and there are times when they don't always put the dollars where they're supposed to go, but we do fund with maintenance dollars. We don't want any of our students to be in any type of health jeopardy, and we look after those problems.

Roles and Mandates for Postsecondary Education

Mr. Doerksen: Mr. Speaker, I know that the Minister of Advanced Education and Technology has been conducting a roles and mandates policy framework for Alberta's publicly funded postsecondary system. My questions are for the Minister of Advanced Education and Technology. What problem are you trying to solve through this review?

The Speaker: The hon. minister.

Mr. Horner: Well, thank you, Mr. Speaker. Actually, it was brought to our attention by a number of the institutions that they needed a framework for clarity around who does what in the system because we can't all be all things to all people. So in the interests of students – and the students also have been very supportive in this consultative process that we've been working on – we've brought forward all of the postsecondaries to say: how do we create a better system, Campus Alberta, that provides for accessibility, transferability for the students, the taxpayers, and society and the economy as a whole? I might add that the areas of concern and regionality have been dealt with in the framework document, and things are moving along quite well.

Mr. Doerksen: To the same minister: what role will the comprehensive community colleges play in this framework?

Mr. Horner: Mr. Speaker, we have a number of excellent colleges in our province. They all play a significant role within the communities. Grande Prairie was mentioned today by the Leader of the Opposition. Grande Prairie college plays a key role as a steward of the educational components in that area. A NAIT campus was mentioned. There's no need to have different stewards in a certain region. We need to have one steward, and that's where the comprehensive community colleges come into play. That doesn't mean that they deliver it all; it means that they are the stewards of that region. The comprehensive community colleges will provide for a broad range of program delivery for student access so that students don't have to leave home in cases like Grande Prairie. They can get their education right there in the city.

Mr. Doerksen: Well, Mr. Speaker, the officials at Red Deer College are particularly concerned with this framework in that they see that it might prevent them from the ability to offer degrees in an institution such as a comprehensive community college. How has the minister addressed those concerns?

Mr. Horner: Well, Mr. Speaker, I opened my first answer with: we can't all be all things to all people in terms of the colleges or the universities. There has to be some clarity of the roles and responsibilities within each of those institutions. The comprehensive community colleges actually in a collaborative approach will be able to offer degrees from any institution, whether that be the University of Alberta, the University of Calgary, Athabasca University, the University of Lethbridge, the University of British Columbia, but

we've also allowed them the flexibility. If there is a described need, if there's something that will fit within the Campus Alberta transferability for the students, then we have allowed for a Campus Alberta review of a degree to be delivered by that institution. That's not going to happen on an ongoing basis, but in specific cases where need warrants it, we will allow that to happen.

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

Forest Industry Sustainability
(continued)

Mr. Bonko: Thank you, Mr. Speaker. The forestry industry in this province is facing difficult economic times, as the minister knows. In the past 24 months Alberta's forest products have fallen in value by about 29 per cent. As a result companies have been scaling back and slowing down in production and construction. This has resulted in job losses across the product as well as across the province. To the Minister of Sustainable Resource Development: while you recently announced a committee to address and examine these concerns – that's great – what are you doing right now to address the problems that have been going on over the last 24 months?

Dr. Morton: Mr. Speaker, everybody on this side of the House knows that we're committed to a free-market approach to all sectors of the economy. We've worked closely with the forestry sector to deal with the five or six different factors that are hitting the industry right now. I can repeat them for the hon. member if he likes: the pine beetle, the dollar at par, the softwood lumber export agreement. These problems did not occur in the last couple of weeks or months, and they're not going to be solved in the next couple of months. We're working with industry. We've dealt with stumpage fees to reflect the lower prices. We're taking measured steps in appropriate time to deal with this in a responsible manner.

The Speaker: The hon. member.

Mr. Bonko: Well, thanks, Mr. Speaker. To the same minister: why has it taken so long right now to come up with a viable solution? What are you doing right now, today?

2:20

Dr. Morton: Mr. Speaker, I think the hon. member and his colleagues across the way have been out of power for so long that they've forgotten that quick responses to deep-seated problems just create more problems. We're dealing with this in a measured and responsible way. We didn't get into it overnight, and we're not going to get out of it overnight.

Mr. Bonko: Grande Prairie has had areas hit worse by the pine beetle. Even though the numbers of the beetles have not increased this year, they're not gone for good. This needs to have some action. Local officials have said that municipalities have not been consulted regarding the fight with the pine beetle. They noted that the grants have dropped from \$5 million to \$2.8 million. To the minister, then. Inadequate funds are being provided to fight the pine beetle in Grande Prairie. Where is the forestry industry? I thought it was vital to you. What are you going to be doing to increase it and fight the pine beetle?

Dr. Morton: Mr. Speaker, I'm proud to report to this House that I've been to Grande Prairie three different times since we rose last June. I've met with municipal officials, Sustainable Resource

Development officials, forestry industry officials, all in the area. In fact, there is good news about the pine beetle in that area. We did not have a repeat of the overflight from the year before. Our very proactive reaction to pine beetle is having a positive effect there. We've asked for new money to fight the pine beetle in the rest of this year, and I'll be asking for similar strong financial support to continue our fight with the pine beetle both in the north and the south in the next budget year.

The Speaker: Hon. members, that was 88 questions and answers today.

Might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

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

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

Ms Blakeman: Thanks very much, Mr. Speaker. I'm just delighted to introduce to you and through you to all members of the Assembly a group of students from NorQuest College that have joined us in the public gallery. Students from NorQuest are always very enthusiastic and very inquisitive, and we're delighted to have them join us today. There are 18 visitors in all, and they are led by their teacher, Ms Melanie Skrypnik. If I could get them all to please rise and accept the warm welcome of the Assembly.

Privilege
Misleading the House

The Speaker: Hon. members, yesterday I indicated that at the conclusion of the Routine today I would invite either or both the hon. Member for Edmonton-Centre and the Minister of Energy to add additional comments to the subject that was being debated yesterday before we take all of this together and decide to deal with it by tomorrow.

Did the hon. Member for Edmonton-Centre have anything further to add?

Ms Blakeman: Yes. Thank you very much, Mr. Speaker. I appreciate the opportunity to respond to the remarks the Minister of Energy made yesterday. I have reviewed carefully his remarks, and I maintain that the minister deliberately misled the House, and in doing so, he did impede the work of the Member for Edmonton-Gold Bar and the Leader of the Official Opposition.

Mr. Speaker, I maintain that as at the 30th of April 2007 the Minister of Energy knew that the government was not collecting a fair share of royalty revenues. Now, he knew this because it is contained in the documents that were tabled as a package on April 16 as Sessional Paper 250/2007, tabled by the Clerk and listed as a document entitled *Royalty Review 2006: List of Consultant Studies and Software*. It included a censored report from Wood Mackenzie, charts, e-mails, and a variety of other documents contained in that binder.

Now, Mr. Speaker, on page 213 of what was contained in this sessional paper, it does state that since 2000 the gap between prices and effective royalty rates has grown, suggesting that our royalty system should be examined.

On page 426 of the documents that were contained in that sessional paper, it says: economic rent, a demonstration of our rent share by pool size, price commodity, PSAC; this shows that we are not capturing our fair share at high prices.

On page 748 it notes that the Member for Grande Prairie-Smoky participates in some of the oil and gas compact commission meetings. In the 2005-06 Ministry of Energy annual reports the then minister makes a special point of thanking the Member for Grande Prairie-Smoky for his efforts with the U.S. energy council and PNWER, indicating to me that the Member for Grande Prairie-Smoky was very much in the loop on the government's energy policy even prior to his appointment in December 2006 as Minister of Energy.

I also maintain he knew this because the department officials have been briefing ministers since 2000 that royalty revenues were not as high as they should be, that the system should be examined, and that we were not capturing a fair share. This is supported by the Auditor General in his annual report, in which he notes that in general staff have produced quality analysis, that staff support the minister by analyzing royalty issues and presenting that information to the minister, that at least three years ago Alberta's share had fallen below its target range, that the department could collect an additional \$1 billion more per year. That appears on page 91 of the Auditor General's report.

Also available to the minister was a 2000 royalty review; one dated May of 2003; a 2004 royalty review with suggestions to give consideration to increased royalty rates; a 2005 royalty review which also included that, and I quote: Alberta could increase its share; and another dated January 5, 2006, which was presented to the standing policy committee in August 2006 by the then minister. As far as I'm able to determine, both past and present ministers of Energy were on hand for that presentation. The Member for Grande Prairie-Smoky was a member of that committee at that time.

In the exchange on the 30th of April 2007, page 694, the minister says, "There is nothing in any of those documents that would indicate to anybody that we have not collected a fair share of royalties for Albertans."

As I have shown, there was something in these documents that did indicate that a fair share had not been collected. The Wood Mackenzie document was not singled out by the minister during this exchange. An entire binder of documents was tabled together. We have shown that two speak directly to the minister's knowledge that we were getting a lesser share.

In the material that was available to the minister there were ample references to royalty rates and collecting a higher or fair share. It is a reasonable presumption that the Minister of Energy would avail himself of this information. The royalty structure is a core business of the Department of Energy, and the Minister of Energy is steward of these resources and responsible for the policies. Not only is it reasonable for him to avail himself of this information; it's necessary for him to do so in order to exercise due diligence. I have to believe as a member of this government that he was aware of this information.

The Minister of Energy knew when he said, "There is nothing in any of those documents that would indicate to anybody that we have not collected a fair share of royalties for Albertans" that the government of Alberta was not collecting a fair share. He misled the House with that statement and impeded the work of all members but particularly the Member for Edmonton-Gold Bar and the Leader of the Official Opposition.

Thank you very much, Mr. Speaker.

The Speaker: Hon. Minister of Energy, would you like to add additional information to the file?

Mr. Knight: Thank you, Mr. Speaker. I would. Again, it's a bit of

an interesting thing now that every document that ever has been published either internally or sourced externally for the Department of Energy seems to be a document that I was referring to. Of course, very clearly in the record of *Hansard* I was answering a question with respect to some severed sections of documents. The severed sections of documents were made available by me very shortly after being appointed. They're in the Energy department's library. All of the reports are there. All of the documents that have been referred to in this particular exchange with the member opposite are there.

The specific documents. There is nothing in those documents that makes anything other than comparisons to other jurisdictions. Nothing in there says anything about whose share is right, proper, or fair. Mr. Speaker, what it says is that there is a comparison, and that's what it was intended to do.

Mr. Speaker, again, the thing seems to keep revolving around the fact that somehow or other this government and particularly I have made an open and blatant attempt to mislead the House. I will continue to defend the fact that I had answered the question honestly and openly, and I do believe that the statements that I made can be supported. I very much look forward to your ruling with respect to the matter.

2:30

The Speaker: We'll try and return tomorrow afternoon at the conclusion of the Routine with a statement with respect to the matter.

The hon. Member for Edmonton-Beverly-Clareview on a point of order.

Point of Order

Tabling a Government Report

Mr. Martin: Thank you, Mr. Speaker. The point of order is simply about the fact that the government has not tabled its crime reduction task force report in this Assembly. I would note that they are having a news conference with, I think, the Premier and three ministers at 3 o'clock. My problem with it is simply this: a report is being given to the media at 2 p.m., admittedly under an embargo, but none of the MLAs, especially opposition MLAs, who might be asked to comment on this, will know what's in that report till 3 o'clock. I think that when the government talks about transparency and openness, this should be the case, that if it's embargoed for the media, we should at least be having Members of the Legislative Assembly that could go under the same embargo. I know that there's not a lot you can do about it, but I think that this is an important point of order. Perhaps this policy or this practice might be changed in the future.

Thank you.

The Speaker: The Deputy Government House Leader on this point.

Mr. Renner: Thank you, Mr. Speaker. I think the fact that the member didn't quote a citation from our Standing Orders is probably reflective of the fact that this is not covered under our rules given that this is a government report, not a Legislature report. I think the member has made his point. I'll be happy to pass on his concerns to the government, but I can't see where this constitutes a point of order.

The Speaker: Hon. members, I'm unaware of any constitutional requirement for the government to make the report available to all members. I do not believe that this is a point of order. It must be a complaint.

head: **Orders of the Day**
 head: **Government Bills and Orders**
Second Reading

Bill 36
Alberta Corporate Tax Amendment Act, 2007

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

Mr. Rogers: Thank you, Mr. Speaker. It is my pleasure to stand today to speak to Bill 35, the Alberta Personal Income Tax Amendment Act, 2007. This legislation brings the Alberta Personal Income Tax Act in line with initiatives announced in Budget 2007. It parallels amendments made at the federal level and makes the act consistent with current policy.

On September 20, 2006, Alberta announced the elimination of the double taxation of dividend income. Currently dividend income is taxed twice; first, when income is earned by the corporation, and again at the personal income tax level when investors receive dividends. To address this double taxation, federal and provincial governments provide dividend tax credits on personal income taxes as an offset. However, the dividend tax credits have not fully offset taxes paid at the general corporate rate. The current amendment will correct this. The amendment will also reduce the tax credit for dividend income received from small businesses as the current credit more than offsets taxes paid at the small-business rate.

A general antiavoidance rule, or GAAR, will be added to allow for the collection of tax from individuals who have used an avoidance transaction for no bona fide purposes other than to avoid federal or provincial tax. Such transactions are becoming more common in Canada. The federal government first introduced GAAR legislation in 1988. Since that time Alberta is required to parallel the federal definition of taxable income, and since GAAR allows for the reassessment of taxable income, Alberta should have introduced a parallel provision at that time. Mr. Speaker, Alberta's provision will be retroactive to 1988.

Charitable donations have a tremendous impact, Mr. Speaker, on the lives of Albertans, and the provincial tax system encourages these donations through a tax credit. This amendment increases the tax credit rate by 21 per cent for charitable donations over \$200, encouraging Albertans to give even more. Including the federal charitable donations credit, Albertans receive 50 cents in tax credit for every dollar donated over the \$200 threshold.

Mr. Speaker, recognizing the importance of continuing education, this amendment provides relief to postsecondary students on the costs associated with higher learning. This amendment also increases the education amounts, which compensate students for other costs of living while still a student. These credits can also be transferred to spouses, parents, or grandparents.

In summary, Mr. Speaker, the Alberta Personal Income Tax Amendment Act, 2007, supports Alberta's well-known tax advantage, and I urge all members to support this bill.

Thank you very much.

The Speaker: The hon. Member for Edmonton-Rutherford. I'm taking a speakers list.

Mr. R. Miller: Thank you very much, Mr. Speaker. I have to confess to being a little confused, and perhaps the hon. Member for Leduc-Beaumont-Devon is a little confused because I believe we're doing Bill 36, which is the Alberta Corporate Tax Amendment Act, 2007. Yet his comments . . .

The Speaker: Actually, we're doing Bill 36, which is the Real Estate Amendment Act, are we not?

Mr. R. Miller: Well, Mr. Speaker, I have in front of me Bill 36, and it's titled the Alberta Corporate Tax Amendment Act, 2007.

The Speaker: Then I'm really confused here because I have in front of me something else, so I'll defer if the member has the actual bill.

Mr. Rogers: My apologies, Mr. Speaker. We should be speaking to Bill 36. I spoke to Bill 35.

The Speaker: Okay. Well, let's just unravel all of this. We're dealing with Bill 36. The hon. member spoke to Bill 35. Does the hon. member have comments for Bill 36?

Thank you very much, hon. Member for Edmonton-Rutherford, for drawing that to the attention of the House, including the chair.

Mr. Rogers: Thank you, Mr. Speaker, for your indulgence. I will speak to Bill 36. It is my pleasure to stand today to speak to Bill 36, the Alberta Corporate Tax Amendment Act, 2007. The Alberta Corporate Tax Act is generally amended every year to ensure that our tax system is consistent with the federal regime, to correct current technical deficiencies, and to ensure consistency with the government policy. This year's amendment reflects two earlier decisions; namely, the termination of the Alberta royalty tax credit program and the phase-in of the increase to the small-business income threshold from \$400,000 to \$500,000.

The Alberta royalty tax credit program was established in 1974 in response to that year's federal budget. The program has since run its course, and this change is a reflection, Mr. Speaker, of today's conditions. The phase-in of the increase to the small-business income threshold from \$400,000 to \$500,000 will be effective on April 1 of each year, phased in by 2009.

Mr. Speaker, this year's amendment act proposes a change to Alberta's antiavoidance rule, known as GAAR. Our legislation currently provides that the rule applies when the transaction is undertaken primarily to obtain an Alberta tax benefit. This bill would amend the Alberta Corporate Tax Act such that GAAR would apply when avoidance transactions undertaken in other Canadian jurisdictions affect Alberta tax.

In summary, Mr. Speaker, this bill provides additional assistance to small businesses, helps discourage tax avoidance schemes, and eliminates ARTC, as announced by Alberta Energy.

Mr. Speaker, I urge all members to support this bill, and I thank you for your indulgence.

The Speaker: Okay. Hon. Member for Edmonton-Rutherford, this is Alberta Corporate Tax Amendment Act, 2007, Bill 36.

Mr. R. Miller: Thank you very much, Mr. Speaker. Well – you know what? – I won't say anything. We'll just let that go. There's so much, actually, to be said about both Bill 35 and Bill 36, which in many respects are parallel acts, and that may have been part of the source of the confusion for the hon. Member for Leduc-Beaumont-Devon.

First of all, when we're looking at amending the corporate income tax act, I want to talk a little bit about small business in Alberta and the reasons why this is certainly a good thing. I'm going to guess right up front that my colleagues from the NDP opposition are going to roundly criticize the Alberta Liberals once again. It seems to be their strategy these days. They're going to come after us for sticking

up for small business, Mr. Speaker. But, in fact, most people in this province understand that small business is one of the driving economic factors in terms of economic output in this province, and it's a good thing that we make some accommodations for them.

2:40

It was unfortunate, quite frankly, that yesterday, not to dispute the absolute relevance of debating royalties and the new royalty regime structure in this province yesterday, but as a result of that, the procedures with regard to Bill 213, colloquially known as the red tape bill, had to be set aside until, I believe, this Thursday, unfortunate in that the Canadian Federation of Independent Business had planned to be here for the debate on Bill 213, and once again it has been set aside. Hopefully, we'll have an opportunity to deal with that very important piece of legislation on Thursday.

Mr. Speaker, raising the small-business threshold to \$500,000 from \$400,000 is clearly a good thing. It will give those small businesses an opportunity to pay tax at a lower rate, at 3 per cent, and certainly encourage further growth and development of small business in Alberta, and that is a good thing.

In consulting stakeholders, the Canadian Federation of Independent Business did question the need for making small business wait through the taxation cycle for four years until they realize the full benefit of that. That was about the only concern that the stakeholders that I consulted with had raised.

One of the things that the government talks about in their press release – and the Member for Leduc-Beaumont-Devon mentioned it here a minute ago – was making the business tax system more equitable. In particular, they refer to the fact that the dividend tax credit on large corporations is going to be increased and that they're going to deal with some loopholes in the legislation that allowed more than a generous dividend tax credit for income tax at the small-business rate.

This would lead one to question the mover of the bill and perhaps the Finance minister as to just exactly how much revenue was forgone from the years 2001 to 2004, when this government failed to deal with this particular loophole. I'm going to guess that in this particular case, since it doesn't appear as if that part of the legislation is retroactive, we won't be able to get it back. But I think it's a relevant question to be asking: just how much income tax revenue did we lose as a result of not having addressed this earlier?

There was reference from the mover of the bill a minute ago about the Alberta royalty tax credit and the royalty credit for individuals and trusts being eliminated. As a result of that, an additional \$111 million is to be realized by the Alberta Treasury. Of course, this comes as a result of pressure from not only the Official Opposition but others to see some sort of a royalty review, something we've been asking for for years, Mr. Speaker. Last September we finally had a little bit of movement on that.

As was indicated by the Member for Leduc-Beaumont-Devon a minute ago, this program really had run its course, and the goals of it were accomplished some time ago, I would argue years ago. It's probably long overdue that those two programs were eliminated. Again, I think it would be fair to ask: how much revenue might the government have realized if we had dealt with two particular tax credits earlier? A fair question, again, since we're talking.

I know that members opposite don't like to hear talk of lost billions, but the reality is that there are many examples in the Auditor General's report and the Royalty Review Panel's report of situations where we perhaps could have been and, arguably, should have been collecting more. When I look at this piece of legislation, it causes me to believe that, in fact, there's even more money that has been left on the table. It's good, I would argue, that we're doing

this now, but certainly some question as to why we didn't do it sooner.

One thing I note here: that announcement was made on the 29th of September last year, with the changes to come into effect December 31 or January 1 of this year. So, basically, Mr. Speaker, three months' notice to industry for changes in the royalty regulations that would realize us additional dollars as opposed to the 14 months that are being allowed industry for the changes that the Premier announced two weeks ago. I think it's probably valid to point out as well a comment that my colleague from Calgary-Currie made yesterday, that renters in this province would love to have the opportunity to have a 14-month notice of a rent increase as opposed to the three months that they get now.

In regard to those two tax credits being eliminated, I guess the other comment that I would like to make is just this. Obviously, somebody in the Department of Finance, some public servant, that was doing their job and working diligently to make sure that Albertans collected their fair share of revenue from corporate income tax, made a recommendation to the minister, and the minister took that advice and brought it forward in legislation. Clearly, there are many of us on this side of the House and many Albertans across the province who wish that the Minister of Energy had taken the same steps and followed the advice of his hard-working civil servants when they made similar recommendations to him in regard to collecting our fair share of oil and gas revenues.

Now, in talking about the general antiavoidance rule, the first question that springs to mind immediately, of course – and it wasn't addressed by the comments made by the mover of the bill – is that if these changes were first brought in by the federal government in 1988, a full 19 years ago, and we're now in 2007 and the Alberta government is finally moving to bring our legislation in line with changes that were made federally 19 years ago, what took so long? Why are we here today? Why was this not dealt with some time ago. I know that it's described as an inadvertent situation; nevertheless, it's a question that I think bears asking. I hope that perhaps we can have an answer from the mover of the bill or the Finance minister when we get to the committee stage, Mr. Speaker.

An obvious follow-up to that question, then, would be: is there going to be any attempt made to collect the monies owing as a result of the retroactivity? If we're now making this bill retroactive to 1988, are we going to be investigating to see whether or not, in fact, there would be money that would be owing from 1988 and subsequent years? What steps would the government be taking to chase some of those dollars down? How many dollars are we talking about, quite frankly? That's something that's not addressed in the government press release and wasn't addressed by the mover of the bill. So, again, questions that I think would be relevant to ask on behalf of Alberta taxpayers.

Now, Mr. Speaker, I want to give credit where credit is due. Once again the Finance minister has been very accommodating with the Official Opposition in terms of supplying the so-called three-column document to us in preparation for debating this bill. So I'm going to reference that a little bit, and if it's appropriate, I can certainly table copies of that as well. I'm not sure if that's required, but if you wish, I could certainly do that.

Section 4 of the document refers to the nonresident withholding tax. A situation had developed where apparently the nonresident withholding tax is paid to the federal government and not shared amongst the provinces. In other words, the federal government collects this money; Alberta sees no part of it. Yet apparently the legislation as it sits now allowed an inappropriate exemption to be used in terms of calculating the amount of tax that was payable in

Alberta to the Alberta government. I think that most reasonable people would certainly agree that that's not right. If we're not gaining anything in the way of tax revenue, why would we allow that withholding tax that's paid to the federal government to be used as part of the calculation in terms of how much tax is going to be payable in our province?

I think that this is, once again, a change that's overdue and brings us up to par with other provinces. Again, the question would be, Mr. Speaker: how much of that tax revenue that we should have been collecting has been forgone over the years in that we didn't change this particular loophole?

Again, I think kudos to the staff at Alberta Finance for bringing it forward and kudos to the minister for recognizing that the government hasn't been collecting its fair share of taxation and doing something about it, again in stark contrast to the situation that we discussed yesterday afternoon with the Department of Energy and the minister's refusal to hear the many voices that were coming at him from his own civil service in terms of the opportunity and, in fact, I would argue, the desperate need to collect a fair share of royalties for us.

2:50

Now, that same document in section 5 talks about a situation where – you'll just have to bear with me for a second, Mr. Speaker, while I find the relevant piece of paper. The same document talks about corporations allocating taxable income to Alberta using rules contained in federal regulations and adopted by Alberta and refers to a two-factor approach, "allocating taxable income based on salaries and wages, and gross revenue, paid or earned through permanent establishments in the province over total salaries and wages and total gross revenue." A rather lengthy explanation of the situation.

I have a question, and I'm hoping that the mover of the bill can answer this for me. The act contemplates moving to a single-factor approach that "will be used for corporations subject to special rules when one of the factors is nil." The question I would have and, again, am hoping that we might have an answer to when we move to the committee stage is whether or not moving to a single-factor approach might in fact be an oversimplification of the rules and thus allow even more loopholes to come into play. I'm just curious – concerned, I suppose, rather than curious – that we don't do that by oversimplifying the rules, that by making it easier for corporations to use this section, we're not somehow opening a loophole for them.

I guess the last comment on that same page discusses moving the income allocation rules to the regulations. I didn't have a chance to quiz the member who moved the bill. I'm not sure whether or not that is actually contemplating moving legislation into regulation. If it is, of course, then that is a concern of mine that I've expressed many times in this House, and I will continue to do so. But I was unclear, having read the press release from the government and that document, whether or not, in fact, that's what we were contemplating there.

In summary, Mr. Speaker, as I said, it's a bill that certainly doesn't seem to be terribly controversial. It's a bill that has the support of the Canadian Federation of Independent Business and the Canadian Taxpayers Federation. I haven't had a lot of people expressing concern to me otherwise. It certainly does give some opportunity to small business to pay a little less tax although certainly shareholders of those small businesses will pay a little more in the way of a dividend tax. But I guess that it might ultimately be more or less revenue neutral. I'm not sure.

Certainly, I would like to reiterate my concern that the Energy

minister doesn't appear to follow the same practices that his colleague the Minister of Finance does in terms of paying close heed to the recommendations that come out of the department in terms of making sure that we collect our fair share.

Lastly, I just want to remind this House and all Albertans that the one tax that we would be looking for a reduction in, in fact an elimination of – certainly, if I were to be so honoured as to serve this province as the Finance minister, one of the very first things I would do would be to eliminate the health care premium tax, Mr. Speaker. I hear some chortling going on on the other side, but I think that's just an example of the arrogance that we see when a government has been in power for 36 years. There's some presumption from the Minister of Education, in particular, that that government is going to be in place for another 36 years. I'm going to suggest that that's exactly the kind of attitude that is rubbing many people in this province the wrong way: thinking that it's by divine right that he's a minister of the government in this province as opposed to, literally, a democratic process that allows him to be there.

The Speaker: Do I hear a point of order?

The hon. minister on a point of order.

Point of Order Imputing Motives

Mr. Horner: Point of order, Mr. Speaker. The member under 23(h), (i), and (j) of Standing Orders is imputing a whole raft of things to hon. members on this side of the House as to what we may think are our rights or anything else. We hold very, very highly the honour that citizens of Alberta have placed in us by election to this House, by election to the government, and by choice of the Executive Council to sit and to serve Albertans. He's imputing false motives upon how we got here and why we're here. I would ask the hon. member to not only retract the statements but also to tone it down.

The Speaker: On this point of order the hon. Member for Edmonton-Rutherford.

Mr. R. Miller: Well, clearly, Mr. Speaker, first of all I was referencing the Minister of Education, not the other ministers in the government. I specifically said that, and if you would like to review *Hansard*, you'll see that I was specifically referencing the Minister of Education, who, in fact, chortled openly when I suggested that I would be honoured to some day have the opportunity to serve this province as the Minister of Finance. Then I said that it seems to be his thinking for some reason that by divine right he serves in this role and not at the pleasure of either the electorate of this province or, for that matter, Executive Council or the Premier or whoever else may have asked him to do so. I would certainly argue that I was not referencing the cabinet members in general, the Executive Council, but one individual who was heckling me as I was speaking.

The Speaker: Well, herein lies the dilemma. If hon. members would focus on the subject matter and not sway and not gaze into the future and call upon the stars for intervention and if others would listen attentively and not throw barbs back and forth, we wouldn't have all of this.

Now, it doesn't take away from the speaking time of the hon. Member for Edmonton-Rutherford. He still has three minutes and 35 seconds to proceed. We will proceed, and we'll ask everybody to basically conduct themselves with the highest level of decorum possible.

Mr. R. Miller: Thank you very much for that guidance, Mr. Speaker.

Debate Continued

Mr. R. Miller: I will continue to do a little bit of stargazing on the track that I was on and just simply say that an Alberta Liberal government has always said and certainly would make it a priority to eliminate the health care premium tax. This would be of great benefit to individuals in this province who currently pay it, including members of this Assembly, who pay, I believe, half of the premium tax – the Legislative Assembly is kind enough to pay the other half – and clearly, Mr. Speaker, of tremendous benefit to small business in this province. Having been and still serving as a small business owner myself and, certainly, having consulted with many small business owners over my time in this Legislature, it is very clear that this is an onerous tax that places an extra burden on small business. If we want to do something for small business in the way of amending the Income Tax Act, this would be a great place to start, in my mind: to eliminate that health care premium tax and give not only individuals in the province but certainly all small businesses in the province a tremendous tax break.

Members will know that we're one of only three provinces in the country that even collect a health care premium tax. As I say, it places a tremendous burden on small business to buck up and pay that tax for the employees. In fact, a number of small businesses that I know offer that as some incentive for employees because of the fact that they can't afford a full-blown health care plan, and the one thing that they can do is pay that tax on behalf of their employees. But, again, it is a burden on small business, and it is certainly something that we could do to show small business that we're serious about helping them out and promoting their causes and their needs in this province.

Mr. Speaker, I think my time is almost up. I'll be happy to listen to the comments of others. I do look forward to having the opportunity, hopefully, to hear some response to the questions and concerns I've raised when we get to committee and, certainly, to explore in more depth some of the issues that I've raised in my talk this afternoon.

3:00

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

Mr. Martin: Thank you very much, Mr. Speaker. I will be mercifully short and just say that certainly we will support this bill. It makes absolute good sense, but it does raise some concerns. As I understand it, the RTC was implemented back in 1974 as a response to the federal government tax structure making Crown royalties nondeductible for tax purposes. I notice it seems to be growing. There seemed to be about \$82 million refunded back during the 2004 fiscal year, and that goes up. I'll come to that.

I guess I'm wondering why it was that there was this confusion. The Auditor General seems to have been the person that started and put this in the realm. It was the Auditor General's report in 2003-2004 that recommended that the RTC be revisited as the federal regulations had reversed the 1974 decision, making the RTC invalid. Well, it's a few years later, and we're getting around to dealing with this. Mr. Speaker, I think if I look at it, it's probably \$82 million going up to, from the press release, \$111 million. That's quite a chunk of cash that we probably lost during that period of time. I think what's worrisome about that is that we tie that in to the whole debate about the royalties. It's the Auditor General, again, that's brought forward a report that this time the government seems to sort

of ignore or say it is wrong. How can the Auditor General be correct here and then so wrong later on?

I think it goes to the confusion when we deal with the oil industry of how we're dealing with them, whether it be through the ARTC or how we deal with them in royalties and the rest of it. There seems to be a lot of confusion within the department about collecting: what should we collect within the rules that we're playing by, and then are we collecting enough? There is this discussion going on.

Again, this is a good bill. It seems like if it was \$82 million that was refunded back in 2004, 2005 would be another \$111 million, and I notice that it's only retroactive to the beginning of 2007. I expect that's all you can do because retroactive legislation would probably end up in the courts, Mr. Speaker. I certainly think it is a step in the right direction, but it does lead me to question, as I say, the confusion here within the Energy department about collecting taxes or royalties or whatever. One only has to wonder how much more money the treasury has lost.

In saying that, Mr. Speaker, this is certainly a step in the right direction. If it's \$111 million, as said, in the tax – that was 2005-2006 – that's significant cash. I expect that would only go up, so it's a little late, but better late than never. Certainly, we in the NDP opposition will quickly support this bill and get on with it.

Thank you, Mr. Speaker.

The Speaker: Standing Order 29(2)(a) is available. The hon. Member for Calgary-Varsity, then, to participate in the debate.

Mr. Chase: Thank you, Mr. Speaker. I, too, as my colleague from Edmonton-Rutherford, support Bill 36, the Alberta Corporate Tax Amendment Act, 2007, because it, as has been said – and I won't repeat – brings into alignment our Alberta provincial tax structure with the federal tax structure. Whether or not it goes back to 1988 and should have been resolved back then, this is one case when, you know, credit to the Ministry of Finance. They're on it. If they would get similarly onto other areas, such as ending homelessness and providing incentives for students, this would be wonderful.

When it comes down to it, there's only one taxpayer, and that taxpayer is subject to a whole variety of taxes, both open and covert. In this particular case what we're doing by increasing the credit for small business is that we're investing in an entrepreneurial spirit, and that's part of where Alberta has been over the years. We've gone through a variety of values, primarily of an agrarian nature, forestry associated. For a long part of Alberta's development – and it's still the case right now – we've been dependent on resources: the resources of wood, the resources of the soil, the underground resources of oil and gas.

But Alberta has been dependent on primarily its God-given natural nonrenewable resources of oil and gas far too long. By supporting small business in 2007, at least we're starting to begin the diversification process that will get us beyond our dependency on nonrenewable resources. Bill 36, Alberta Corporate Tax Amendment Act, 2007, recognizes a belief that has been long held by Alberta provincial Liberals: that Alberta's people are our most important resource, and by giving businesses a credit, a support, we recognize the valuable contributions that they make to this economy.

It is rather sad that in the Alberta economy there is such a tremendous dependency on a resource which in the conventional terms of oil and gas has passed its peak. We have the good fortune of years of coal that, hopefully, can be environmentally harvested, gasified, with the CO₂ and other emissions associated sequestered. But we know that even with the oil sands and even with the coal the effect on our environment of recovering these nonrenewable

resources can be very devastating. We know that the amount of water that is used to extract these resources is of great concern because without the water, obviously, nothing else in this province is going to go forward.

Bill 36, Alberta Corporate Tax Amendment Act recognizes that we must come up with other ways of creating wealth in this province. What concerns me is that after the conventional oil and gas are sort of – if we had a one-trick pony, then this would be what I could consider a one-trick ass, or donkey, if there are sensibilities in the room. That's the idea: our great dependency for our general revenue on VLTs, slots, gambling in general, of which only 3 per cent is directed for prevention through the small amount that goes to AADAC. Again, by recognizing the contributions of the small-business individual and the number of people who are employed in small business, we're recognizing that Alberta is a place where the little man and the little woman can make a go of it. With this Bill 36 we're supporting their entrepreneurial spirit. We're supporting their desire to make a mark in Alberta, which will benefit us all through the taxes, obviously, that are collected.

3:10

We're recognizing, too, for the small business entrepreneur that they are paying a considerable tax for the privilege of doing business in Alberta, not only to the province but to the federal government. Harmonizing our tax structure will take at least some of the time out of the process in terms of calculating the tax and will encourage other individuals to set up shop in Alberta.

Of course, one of the problems of setting up shop in Alberta at this time is the labour. The government in it's wisdom or lack thereof has tried to deal with the labour shortage by bringing in – I think the figure is now approaching 60,000 – temporary foreign workers. Those aren't the type of people that are going to be employed, obviously, by the definition "temporary foreign workers," for any length of time in the small businesses of Alberta.

One of the aspects in terms of investment – and we'll talk more about this when we talk about Bill 35, the Alberta Personal Income Tax Amendment Act, 2007 – is the idea of investing in the training, whether it's vocational or academic, to provide the sort of trained-in-Alberta workers that will be the future small-business proprietors and work within those companies.

We have a vast untapped natural resource situated in the north, in central Alberta, and in the south, and that's our First Nations people. We know, for example, that shortly Edmonton will outpace Winnipeg as having the greatest number of First Nations people living off-reserve. This provides us with a wonderful opportunity of investing and supporting, providing the education, providing the social framework to support First Nations in their business endeavours.

Of course, Fort McMurray is one large evidence of very successful First Nations and Métis business. Whether it's owning the hotel that we had the pleasure of staying in, whether it's providing services, whether it's providing the heavy machinery, there is a great opportunity. Bill 36, the Alberta Corporate Tax Amendment Act, 2007, reaches out to all Albertans in supporting the promotion of small businesses.

We're fortunate in Alberta in many ways. We have among the best educated population. I have the great honour to represent Calgary-Varsity, which has the highest number of postsecondary graduates, so I know very well the value of investing in people and education and supporting their endeavours, whether it be in small business, whether through academic pursuits, areas in the environment, and so on.

Alberta, as I say, in many ways has so many opportunities beyond just our nonrenewable resources. We have to recognize the value

that we have in Alberta, the value that our people bring to it, and we also have to recognize the fact that this Bill 36, the Alberta Corporate Tax Amendment Act, 2007, simplifies the tax collection process.

[Mr. Shariff in the chair]

My esteemed colleague from Edmonton-Rutherford, in talking about taxes and how we could provide breaks for Albertans, brought up the notion that has been brought forward by Scott Hennig of the taxpayers association and, before him, Jason Kenney, who was also connected with the taxpayers association, of the unfair tax, the sort of hidden tax, and that's our health care premium.

If we wanted to make a major change not only for small businesses but for large businesses, for school boards, government, and so on, I realize that the income we would lose approaches a billion dollars, but the health tax – and that's what it is. It has nothing to do with health provisions. It simply disappears into the general revenue black hole. That tax does not recognize wealth. It doesn't recognize ability to pay to any great extent. There are seniors on fixed incomes who are excused. People below the poverty line are excused. But those who are struggling to pay their rents, to put bread on their table are adversely affected by this health care tax.

I look forward to the point in this House where the government will recognize what small-business associations have pointed out, what professional associations have pointed out, this cost to business of providing employee benefits to those that are fortunate enough to retain their employees through assisting with the paying of the Alberta health premium tax. When we get rid of this, this will be another major step for Albertans in general in having as a family over a thousand dollars to reinvest in our economy, \$1,000 less that they would have to pay on taxes, and an opportunity to get out from under that, of all taxes, most unfair tax burden.

In closing, I commend the government on Bill 36, the Alberta Corporate Tax Amendment Act, 2007. The final comment would be: better late than never.

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

Hon. Members: Question.

The Acting Speaker: Are you ready for the question?

The hon. Member for Leduc-Beaumont-Devon to close debate.

Mr. Rogers: Thank you, Mr. Speaker. I would encourage all members to support the bill.

[Motion carried; Bill 36 read a second time]

Bill 35

Alberta Personal Income Tax Amendment Act, 2007

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

Mr. Rogers: Well, thank you, Mr. Speaker. I would sheepishly stand up and remind the House that I have commented on the provisions of Bill 35 already, which is on record in *Hansard*. I don't know. I look to you for some direction. If you'd like, I could go through my remarks again, or whether they would suffice.

The Acting Speaker: You can just move the bill.

3:20

Mr. Rogers: Mr. Speaker, I would be pleased to move second reading of Bill 35, the Alberta Personal Income Tax Amendment Act, 2007.

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

Mr. R. Miller: Well, thank you, Mr. Speaker, and thank you to the Member for Leduc-Beaumont-Devon for saving me the hassle of trying to find the correct citation in the Standing Orders that would have prevented him from speaking to the bill again since he's already done so once.

Mr. Speaker, as I acknowledged earlier, this Bill 35, the Personal Income Tax Amendment act, 2007, and Bill 36, which we dealt with a minute ago, are in many respects parallel bills, accomplishing somewhat the same objectives on both the personal tax side and the corporate tax side. I think it's interesting to note, however, when we talk about personal taxes paid in this province, that government's own projections this year show \$7.318 billion projected to be collected by the Alberta government in personal income tax, yet on the corporate side \$3.126 billion, or 22.2 per cent from corporate tax, yet 52 per cent of the total tax take coming from individuals.

The argument has been made before – and I think would be safe to make it again – that individuals perhaps bear more than their fair share of the load of income tax that's collected in this province. It would I think have been a good thing if we went a little further with this income tax amendment act, perhaps raising thresholds once again for individuals in the province or somehow making things a little more equitable for them.

Once again, we talked earlier about the health care premium tax and what a great opportunity this would have been for the government to help out individuals who end up paying that tax either partially or wholly themselves, you know, whether they're self-employed or have an employer who doesn't cover all or part of that cost. This would have been a great opportunity, as my colleague from Calgary-Varsity mentioned a minute ago, to save families anywhere up to a thousand dollars a year, put that money back in their pockets. This is a government that argues that the individual knows best what to do with that money and that by having it in the economy as opposed to in government coffers, that actually increases economic activity. If the government truly believes all of that, then this is an opportunity lost, Mr. Speaker, and I think that's unfortunate.

I'm just going to go back for a second and talk about the personal tax versus corporate income tax. The reason I want to do that is because we talked a minute ago about corporate income tax and particularly making some accommodation for small business. I note that this year small business is projected to pay \$407 million in income tax, which is only a small percentage, I suppose, of the overall take. But, again, when you look at the number of large, large corporations that are operated in this province and the fact that they're paying only a fraction of what individuals pay, I think it would be fair to say that even a greater recognition of that inequity for the personal income tax payer might be in order.

We know as well from the last number of quarterly updates we've had that the province is taking ever more personal income tax than their own projections show. I expect that later this month, when we have the second-quarter update, that will once again be true. Again, sort of an opportunity lost, I believe, in terms of recognizing the individual taxpayer and not having given them a little more opportunity to save some money.

Now, this Personal Income Tax Amendment Act, 2007, also discusses the medical expense credit. Currently that credit is \$5,000,

Mr. Speaker. It's being moved to \$10,000 and retroactive to January 1 of 2005, which is a good thing for those people who found themselves in the unfortunate circumstance where they might have been applying for that credit. Unfortunately, I don't think that we can give an awful lot of credit to the government because this is actually being done to parallel federal legislation. While I'm glad that we're doing it, it would appear to me that, in fact, the federal government led the way on that. Boy, I think if we go back to January 1, 2005, when that federal legislation took effect, that would mean that it was actually a Liberal government in Ottawa that put that increased tax credit in there for taxpayers. That's interesting as well, I suppose.

Anyway, the notes that were supplied to me by the Finance department indicate, as I said, that this particular medical expense credit being increased to \$10,000 parallels changes that are made to federal legislation and that that is actually required by the tax collection agreement between the province of Alberta and the federal government.

Then there's a note that says that Alberta indexes most credits in the personal income tax system. Alberta indexes most credits in the personal income tax system. As someone who's standing before you today, Mr. Speaker, and before all Albertans defending the Alberta taxpayer, the obvious question is: why do we only index most credits in the personal income tax system and not all? I'll be curious to hear whether or not the mover of the bill or the Finance minister can provide us with some explanation as to which credits in the system are not indexed and what the explanation might be for not extending that courtesy to taxpayers when it comes to every credit in the system.

Now, the disability tax credit: there have been some changes there. Certainly, a little tweaking of the words. We're changing the wording "severe and prolonged mental or physical impairment" to read "severe and prolonged impairments in physical or mental functions." Certainly, those that I've discussed this bill with don't have any concern with that. It looks like it might actually, you know, give a little more flexibility in terms of allowing credits to take place. We're amending the bill to allow physiotherapists to certify a marked restriction in walking for the purposes of determining eligibility for the credit.

Particularly important, I think, section 13 of the bill amends the legislation to allow the credit where there are cumulative effects of multiple restrictions. So where under the current legislation perhaps a person may have an affliction that in and of itself wouldn't allow the tax credit to kick in, if you look at cumulative effects of that and other afflictions, under the new legislation they would be eligible for the tax credit. Again, that's a good thing. But again, Mr. Speaker, unfortunately it's actually coming on the heels of federal legislation that did just that. Our tax collection agreement with the federal government mandates that we parallel our legislation with theirs, so I think, really, the credit is due to the federal government.

There is also an adoption expense credit for the first time, Mr. Speaker, effective January 1, 2005. Again, credits go to the Finance minister for making this retroactive to January 1, 2005. A permanent, nonrefundable adoption credit of the lesser of \$10,000 or the total adoption expenses. This is wonderful news. This one, apparently, is the brainstorm of the Alberta Department of Finance. It is paralleling federal legislation, but it's not required under the tax collection agreement. This is something that we're doing because it's the right thing to do, not because the tax collection agreement says that we have to do it. I applaud the minister for taking that step.

One of the things that we know there has been an awful lot of discussion in this House on, particularly my colleague from

Edmonton-Mill Woods, who serves as the shadow minister for Children's Services, is the need to increase the number of families that are looking to adopt children, are willing to adopt children. If allowing them a credit of up to \$10,000 to deal with some of the expenses that they face in doing so will help in that process, Mr. Speaker, then I would argue that that's a good thing. Again, as I say, apparently something that wasn't required under the current legislation but a recognition, the federal government having made the move, that that was a good thing, and we're extending the same opportunity when calculating Alberta tax payable. That's fine.

The general antiavoidance rule. Again, this is parallel to what was discussed when we were talking about the corporate income tax amendment. The one thing that I do note is that although we discussed the fact that this is retroactive to 1988, apparently the first actual court case that dealt with this was in 2005. Up until that time it's apparent that there were not any cases that were relevant to Alberta's tax collection system. So I may have just answered my own question, when I asked during debate on Bill 36 how much money might have been forgone over the years 1988 to the present. At least it would appear that from 1988 to 2005 we didn't necessarily lose any money.

3:30

Then my question could be amended to say: what about since 2005, when that court case took place? Have there been any examples of companies that have avoided paying Alberta income tax since 2005? As I asked before, I would ask again whether or not we're taking steps to determine how much money might have been forgone and whether or not we're taking any steps to try to retrieve any of that money.

Also, Mr. Speaker – it was referenced by the mover in his initial comments – an increase in monthly education expense claims for students; \$400 per full-time student is going to be increased to a \$600 expense. For part-time students \$120 is going to \$180.

I have long been a proponent of not just helping out students but in particular of promoting lifelong learning. It's something that is near and dear to the hearts of the Official Opposition. Our leader has talked in this House many times about the opportunity we have right now, with the incredible natural resource revenues and the wealth that they're bringing to this province, to extend our postsecondary institutions to rival world-class institutions from around the world. Certainly, that's a major part of the policy platform that we ran on in the last provincial election and will undoubtedly be a major part of our policy platform when the next election comes around. We see here where there's some recognition by the government that, in fact, part-time and full-time students are facing higher expenses than ever before, and we have to recognize that by giving them a little more expense claims on their income tax calculations.

I asked earlier why we don't automatically index every tax credit in the system, and maybe this is one that should be indexed to inflation and doesn't appear to be currently. So I would ask either the mover of the bill or the Finance minister if they've contemplated indexing not just that, but we talked a minute ago about the \$10,000 eligible adoption expense and the \$10,000 limit for medical expenses. Why are we not indexing those automatically so that we don't necessarily have to come back into this Assembly every year and deal with an amending piece of legislation?

It would make perfect sense and particularly in this overheated economy right now, Mr. Speaker, where we know that inflation is running somewhere between 5 and 7 per cent in Alberta. Why would we not automatically be indexing these to inflation and

thereby giving recognition to those that are dealing with caregiver expenses or those that are attending postsecondary education or those that are dealing with adoption expenses? Automatically extend to them some inflation protection through indexation of these various credits that they can apply for. Perhaps that's an oversimplification of our income tax system, but it would make perfect sense to me. As I say, I'll be curious to hear some response to those questions from either the mover of the bill or the Finance minister.

I know there are other speakers that would like to have the opportunity to comment on the Personal Income Tax Amendment Act, Mr. Speaker, and I'm happy to cede the floor and look forward to the opportunity to explore in more detail some of those questions when we get to the committee stage.

Thank you.

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

Mr. Martin: Thank you, Mr. Speaker. You know, when we look at Bill 35 and we talk about the Alberta Personal Income Tax Amendment Act, 2007, one might say: boy, there are going to be some really major changes here; maybe they're going to get rid of the flat tax and we'd look at medicare premiums and all those sorts of things. But in saying that, I'd just like to take a look at a couple of points in this bill.

The government announced earlier this year that it would increase the tax credits. They've done that with increases for charitable donations, I believe, from 10 per cent to 21 per cent. I have no objection to this, Mr. Speaker. In fact, what worries me more about this is that charities or nonprofits are now expected to do more and more and more. Maybe this can help to get some money to them. Things that used to be done by the government are now being shifted onto them. We've had this discussion, again, in the Legislature. I think the Member for Edmonton-Rutherford mentioned it. At the same time that we're expecting them to do more and more and more, the salaries and even the recent announcement are not going to cut it. We're expecting them to do more and more and more, and there's less and less staff.

I expect that this is the government's attempt to say: well, maybe we can get a few more dollars out if we increase the tax credit. Maybe they can. For that reason I would support it, but I'd really question where we're going with this, Mr. Speaker. This seems to be sort of the Americanization of everything, that we're going to have, you know, the private sector deal with all of the social problems that rightfully, I think, belong with government. But in saying that, I'm certainly not going to say that we shouldn't allow this tax credit to go on.

Mr. Speaker, the bill tightens the wording on credits for mental and physical impairments. I'm not quite sure what this means, stating that the handicap would have to have "a marked restriction in the ability to perform a basic activity." Now, I take it that they've changed this wording. Are there some problems that have developed with the previous way we described it? I hate to do this, but is this a way to sort of cut some people off that maybe were getting funding before? If that's not the case, I would hope that the government would tell us why this change is necessary.

The bill adds a section that allows for deductions to be passed on adoption expenses. I believe it's up to \$10,000. We will support this, but again I wonder: is part of this problem that we, you know, try to get adoptions? That's a good thing, but I notice that the foster care that we have in the province right now is like the other organizations. They can't get enough people. Perhaps this is a way to try

to deal with it. Again, I think that the problem is much deeper than this. If this gets some kids adopted, that's good, but I would suggest, Mr. Speaker, that the whole problems in foster care are not going to be solved by this. In saying that, it's not a bad thing, and we will certainly support it.

The bill adds a section that clarifies the notion of tax avoidance.

Mr. Speaker, the bill itself is probably, you know, okay, but I don't think it's going to solve the serious problems that I've been talking about. In the meantime we could have a major debate – and I won't do that – about, as I say, the role of flat tax and the unfair taxation system in the province, but that would be stretching this particular bill, I think, and probably not worth while at this point.

Just in conclusion, we in the NDP opposition will certainly support the bill because it probably does some good and no harm. That's the reason we would support it. Thank you, Mr. Speaker.

3:40

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

The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you very much, Mr. Speaker. It is my pleasure to rise and speak, I think rather briefly, to Bill 35, the Alberta Personal Income Tax Amendment Act, 2007.

Mr. MacDonald: No, no.

Mr. Taylor: My colleague from Edmonton-Gold Bar is urging me to go on and on, but I really don't have that much to say. I'll try and get to the point, stick on topic, and sit down, make room for other speakers.

Mr. Rodney: Brief.

Mr. Taylor: Perhaps my colleague from Calgary-Lougheed would like to get up and contribute to the debate as well.

A couple of points, really, that I wanted to make. First, on the section that allows for greater charitable claim, which when you put it together with the federal will take the amount up to 50 per cent deductible: good idea, I think. I support it in principle. Having said that, of course, it's not my preferred option to download even more of what we see in the Alberta Liberal caucus as responsibility for the province to look after the needs of our population and look out for our population and their well-being. But you can't get around the argument that if there's an ideological predisposition to do that, it certainly does help to encourage the private sector and philanthropists to step up to the plate and fund charitable programs and charitable initiatives.

So I think this is a good idea as far as it goes, and I would acknowledge it probably as far as you can go with an amendment like this first time out. But I would encourage that going forward, after we have dealt with Bill 35, we look at the possibility of perhaps allowing charitable donations to be 100 per cent tax deductible. If they are going to support charities and causes that under the income tax laws of Canada and Alberta are duly recognized as good works and good programs, then why not encourage people to donate as much as they possibly can by making 100 per cent of those donations tax deductible?

I like what's being done here in terms of increasing the amounts on postsecondary education in terms of the education expense claim there. I think, as my colleague from Edmonton-Rutherford said, it acknowledges the ever-increasing cost of postsecondary education, and it's time we did that.

There's one other thing that I would like to get on the record, Mr. Speaker. It is not in this bill, but I'm going to take the opportunity for debate in principle on this bill to put it on the record and suggest that it is something that as a province we very much do need to be looking at doing sooner rather than later. It's a bit difficult because, you know, were we the federal government, there would be an obvious avenue to travel on what I'm about to suggest, and that's a capital gains tax exemption. But I'm going to suggest that we in the province of Alberta, as a way to incent the construction, the development of affordable housing to deal with what I believe is a very real crisis in many, many communities across this province, look at ways to make the donation of privately owned land for the construction of affordable housing tax deductible.

Now, you know, if we were at the federal level, there would be a model for this. We could simply look at what the feds do when land is donated for ecological or environmental purposes, donated as land or donated as a conservation easement through organizations like the Nature Conservancy of Canada, that sort of thing. There is a waiving of capital gains when that happens. You can't do that at the federal level when you're donating land for affordable housing because it's taxed as though you had sold the land and realized the capital gains. Perhaps my colleague from Edmonton-Rutherford can correct me if I'm wrong, but my understanding is that we obviously cannot approach this through capital gains.

I wonder if we could get creative about it. We can and we seemingly do get quite creative about tax credits and eligible expense claims, that sort of thing, under provincial personal income tax rules. I wonder if there's a way that we could address that and provide some sort of credit – I don't know what it would be, Mr. Speaker – that would acknowledge that a property owner, whether that be an individual or a corporation, has donated land to a recognized land trust for the sole purpose of having it used for development of affordable housing.

With that, I will take my seat and let others take part in the debate. Thank you.

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

The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you very much, Mr. Speaker. There's a saying that the only certainties in life are death and taxes, and Bill 35 attempts to take some of the pain out of those taxes, as did Bill 36, by harmonizing the in-our-pockets nature of both the provincial government and the federal government. The greatest difficulty in coming up with a tax structure is getting the balance right. You have to have a tax rate that not only maintains but provides services without discouraging investment and entrepreneurship. Bill 35, the Alberta Personal Income Tax Amendment Act, 2007, attempts to strike that balance.

To take sort of a little bit of a satirical look and not to take away from the religious intent, with Bill 35 we have a case of the government giveth and the government taketh away, and I'll leave the blessed portion out. What is happening, especially at the postsecondary level, is that students are getting a bit of a tax break, but that tax break is rapidly eaten up by their increase in tuition costs. I believe that in Alberta we have the second-highest tuition costs in the country, and that, of course, is a concern.

Now, in previous years there was a sheltering. One of Ralph Klein's most thoughtful statements was that he told students that if they received an increase in their tuition, bring it to the government and the government would cover the difference in that cost. Well,

that protection left. Part of the reason that that protection for students left was the introduction of Bill 40, which took the right to discuss to what extent tuition should either be raised or lowered out of the discussions of the Legislature and put it into regulation, which became at the whim of the minister of advanced education at the time. Now, we have the good fortune at this moment to have an enlightened minister of advanced education, and I'm appreciative of that fact, but no matter how enlightened the individual is, the decision to raise tuition shouldn't be left to any single individual or the employees of their department.

Other esteemed colleagues, both Calgary-Currie and Edmonton-Rutherford and credit to the Member for Edmonton-Beverly-Clareview, indicated the charitable donation aspect, which has been somewhat left out of Bill 35, the Alberta Personal Income Tax Amendment Act, 2007. My colleague from Calgary-Currie raised a concern that Larry Simpson of the Nature Conservancy raised. That concern was that in order to promote the donation of land by private individuals, it would be wonderful if the government would recognize the value of those land donations and recompense the families for having made such philanthropic generosity with a tax credit. Likewise, the philanthropy of individuals, whether it's million-dollar endowments to universities and so on, needs to be recognized to a greater degree.

3:50

I would like to see just for the average Albertan some kind of encouragement when it comes to making charitable donations so that it doesn't have to be above the \$200 mark. There are a number of people who willingly, without any kind of recognition, provide donations, but it would be nice if we lowered that charitable donation ceiling to the point where people who have the least to give but give freely of the little that they have are recognized and compensated.

My colleague from Edmonton-Beverly-Clareview, briefly at least, uttered the words "flat tax." At some point in this Legislature I think that could be the subject of a very interesting debate. While the flat tax purports to lower taxes in general, the reality of the flat tax is that it's the middle class that basically shares over 80 per cent of that tax burden, whereas a progressive tax, that seems to be more frequently used in other provinces, recognizes that you're taxed on your ability to pay. It seems that in Alberta the more money you make, the less overall you have to pay because of a flat tax rather than a progressive tax, so the people who are making the seven-figure salaries are doing rather well in the Alberta climate. We can say, "Yes, well, they employ people," and so on, but they also have access to services that the majority of Albertans are paying for on their behalf. I would welcome a discussion of the fairness and the burden that a flat tax puts on the majority of the people in the middle class.

The business of taxing students comes up again and again, and of course a tuition increase has the same effect as a tax. Last year I and colleagues attended basically a tuition concern rally at the Southern Alberta Institute of Technology. There were a number of students represented there – I apologize. It was actually the Alberta College of Art and Design where the event took place. I'm going back to 2004 for the rally at SAIT. Student after student, whether they were graduate students or undergraduate students, pointed out how much higher tuition costs are in Alberta and how much less of an opportunity there is to actually, if you can afford to pay the increased tuition, find a seat at a postsecondary institution, whether it be promoting technical, promoting art, or the academic universities and colleges.

What would be of benefit to both the students and to the colleges themselves would be to recognize and support a tax break for the institutions. For example, this past month my colleagues and I attended, again, a rally. It was a rally on affordable housing, but it was directly related to tuition increases. It was found that the majority of the students at Mount Royal were paying well beyond the recommended 30 per cent for housing that this government has suggested is a reasonable amount.

This is where both the students and the universities could receive a tax break if the government did away with the education portion of the property tax, at least for the student residences on campus. If you want to tie the institutions' hands somewhat, whatever money is saved goes towards residence construction. We know, for example, that at the University of Calgary student residences are able to at best house approximately 7.4 per cent of the entire student population. At the University of Alberta it's slightly higher; it's toward 9 per cent. But when we're making responsible income tax or tax amendments, such as Bill 35, Alberta Personal Income Tax Amendment Act, 2007, I would like to see that same sort of creativity applied both to students and to the institutions of higher learning.

We had an opportunity as Public Accounts and as a member of Public Accounts very recently to talk to the University of Alberta, the University of Calgary, Mount Royal College, and Grant MacEwan here in Edmonton. They talked about the tremendous backlog in infrastructure. Again, if we could provide less tax on those venerable institutions, they would have more money to invest in infrastructure, programming, and, of course, their student population.

I am hoping what we're seeing in Bill 36 and Bill 35 is the beginning of a creative approach to tax relief in Alberta that can then be applied not only to individuals and small businesses but extending those benefits to institutions of higher learning and providing that seed money in the form of returned taxes or uncollected taxes to support the institutions.

Again, I repeat that Alberta's greatest resource is its people, and whatever we can do, whether it's through the specific lowering of dedicated taxes or providing greater room, that will benefit the province as a whole.

In summary, we have to balance the need for the collection of taxes, which provides predictability and sustainability and provides the level of infrastructure support that we cannot get from nonrenewable energy. When governments dramatically reduce taxes, such as the suggestion of knocking the flat tax down from 10 to 9 per cent, and then find out that in years to come they don't have the general revenue and have to drive the taxes up again, that loss of balance and political opportunism can take a great toll. We know very well that in 1994 basically every individual in a service-providing area, whether it be education or health care or social services, had a tax of 5 per cent added to them by a deduction from their paycheque.

Thank you.

4:00

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

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I've been listening with interest.

An Hon. Member: No way.

Mr. MacDonald: Yes, I have. I certainly have. And to the hon.

minister in charge of Service Alberta I've also been reading your annual report, and I must say that I'm disappointed to have a good look at your annual report. Hopefully, Mr. Speaker, we will have a time to address that, but certainly I realize that it's not during the debate on Bill 35, the Alberta Personal Income Tax Amendment Act, 2007.

When you look at the consolidated financial statements of the government – they've been issued in two volumes this year – we see the direction of personal income tax, not only personal income tax but corporate income tax. We see, for instance, that in the year 2005-06 there was \$4.6 billion collected and in 2006-07 there will be \$7.6 billion collected, or a \$3 billion increase in personal income tax collected. It certainly is refreshing to see that there are some modest attempts being made here at tax relief. This bill is a companion piece for Bill 36, which finally eliminates among other things the Alberta royalty tax credit, which is certainly an interesting tax credit. It's had a long history in this province, and it has been frequently mentioned in various reports of the Auditor General.

When we look at the Alberta royalty tax credit and we do the math on it over a 25-year period from 1982 through to 2007, we see that certainly the taxpayers in this province have been very, very generous to the energy sector. If you add up over that 25-year period, Mr. Speaker, you will see that over \$7.1 billion was used to satisfy the Alberta royalty tax credit at the same time that the Auditor General questioned the whole purpose of the tax credit. It may have been necessary back in the early '80s and in some periods of the '90s, when resource prices for natural gas and conventional oil were very low, but to wait until this year to eliminate this program I think was unnecessary. It should have been done much sooner. If you look at this total bill, it's over \$7 billion, and that's not the only royalty adjustment program. But, finally, with Bill 36 and now its companion piece Bill 35, we're seeing the end of that.

If anyone has any questions, they can just refer to the Auditor General's reports, and they can see for themselves that the Auditor considered that program not to be of merit, and how this government administered it or didn't administer it – well, that's certainly another question.

With Bill 35 we see this reduction in a tax credit from dividends for small businesses to eliminate inadvertent preferential tax treatment by 2009. We see the increase in the amount claimable for medical expenses for caregivers, from \$5,000 to \$10,000. Sometimes one would have to question if that is enough and what determined the doubling of that. Why \$10,000? Why settle on that? The new adoption expense credit is added. I think that is really a step in the right direction, and the hon. Member for Leduc-Beaumont-Devon is to be commended and thanked for this initiative. The new general antiavoidance rule is added, and of course there are also the increases that hon. members have talked about earlier, the increases in monthly credits for time spent at qualifying educational institutions.

Overall, I think the intent of this bill is good, as is Bill 36, because when you look at Bill 36 and you see a \$7 billion-plus royalty tax credit over a 25-year period, certainly we have to acknowledge the generosity of the Alberta taxpayers to the energy sector, and it's time that the same generosity was reflected in our tax policy to those who are personal income tax filers.

Now, at the same time, Mr. Speaker, I would also like to refer hon. members of this Assembly again to the Auditor General's most recent report, volume 1, which I'm sure all the hon. members across the way have read and certainly have thought long and hard about the scathing report on the Department of Energy. The hon. minister in charge of Service Alberta must be very relieved that he's not

Minister of Energy because there were a lot of problems in that department. [interjection] I'm sorry?

Mr. Snelgrove: You've got the best one in the world right now.

The Acting Speaker: Through the chair, hon. members.

Mr. MacDonald: Yes. Sorry for that distraction, Mr. Speaker. [interjection] The universe? Yes, everyone in a democracy, hon. member, is entitled to their opinion, and that includes you. But one only has to look at the Department of Energy's conduct as is articulated by the Auditor General to know that there are major problems in that department not only with this minister but with past ministers.

When we look at the Auditor General's report on the government's revenue forecasting systems, I think it is noteworthy that we consider these in the debate on Bill 35. I'm not going to speak specifically to his recommendations regarding corporate income tax forecasts, but I think we should have a look at the personal income tax forecast as described by the Auditor. The Auditor is recommending that "the Department of Finance improve its method for estimating historical personal income growth used to forecast personal income tax revenues." The Auditor goes on to note that the historical personal income growth data may be unreliable.

Now, we know that there is a lot of unreliable data in the Department of Energy. That's a certainty, and I know that government members are very embarrassed by that and that they're ashamed and disappointed, but I think they should have a look at the Auditor's recommendations from other departments as well.

4:10

Now, it goes on to say in here, hon. members – and this is from the AG's report, Mr. Speaker:

Statistics Canada produces the personal income growth historical data on a calendar-year basis. Preliminary information on personal income is available for the previous calendar year in April of the following year. Statistics Canada produces revised information in November. Finance uses the November information to develop the budgeted revenue for the next fiscal year. The effect of using this information is as follows:

- In the budget for the year March 31, 2006, Finance forecasted the average income growth to be 5.7%. In preparing the financial statements for the year then ended, Finance revised the average income growth forecasts to 7.8%, based on preliminary income data from Statistics Canada and revised economic projections for 2006. The difference between budget and actual results for the year ended March 31, 2006 is more than \$800 million.
- For the year ended March 31, 2007, Finance's forecast of income growth was 6.6%. In preparing the financial statements for the year then ended, Finance revised the forecast to [over 10 per cent].

Ten and a half per cent to be precise, Mr. Speaker.

The difference between budget and results reported in the financial statements is about \$1.6 billion.

That's in two years.

Now, perhaps if we were to be a little bit more prudent, we should consider other tax relief for personal income tax filers in this province. The Minister of Service Alberta – I'm delighted to see that I'm putting more good Liberal ideas in his head. I would urge the government to not only stop at the measures that they have initiated in Bill 35 but to consider other measures. Certainly, we have been very generous, as I said, to the energy sector over the

years. When I'm talking about the \$7 billion Alberta royalty tax credit, I'm not talking about the other \$8 billion plus that we've given them in royalty reduction programs. That \$8 billion is only from 1992, so that's in a 15-year period. We can conservatively say, Mr. Speaker, that over that period of time we have provided – I'm not going to call it subsidies to the energy industry – tax concessions or royalty concessions in excess of \$15 billion. So if we can do it for that group of corporate parties, I think we should consider it for personal income tax filers as well.

One only has to look at the hon. minister's own projections here to see that in 2006-07 personal income tax is going to be in excess of \$7.6 billion and corporate income tax is going to be \$3.6 billion. So I think it's time for the government to go a little further than these good initiatives that are in Bill 35 and consider other measures to reduce the tax burden for individual Albertans. It's time we gave personal income tax filers more consideration.

In conclusion, I would remind the members opposite, particularly the hon. Minister of Service Alberta, that we have reduced significantly the combined corporate income tax rate for energy companies in Alberta over a significant period of time. I think it's seven years. We have reduced their tax by 13 per cent. The combined income tax rate has gone from 43 per cent to 30 per cent. We have been generous to one group of participants in the economy. Let's consider the others.

Thank you very much.

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

The hon. Member for Leduc-Beaumont-Devon to close debate.

Mr. Rogers: Thank you, Mr. Speaker. I would move second reading.

[Motion carried; Bill 35 read a second time]

Bill 37

Tobacco Tax Amendment Act, 2007

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

Mr. Snelgrove: Thank you. Well, Mr. Speaker, so much tax cutting has just made me light-headed. We have to turn that around.

Mr. Speaker, it's my pleasure to stand on behalf of the Minister of Finance today to speak to Bill 37, the Tobacco Tax Amendment Act, 2007. Tobacco use is the leading cause of preventable disease, disability, and premature death in Alberta. Every year more than 3,400 Albertans die from tobacco-related causes.

Albertans are accustomed to having the lowest taxes in Canada, but in some cases higher taxes send the right signals. Increasingly, the tobacco tax will help encourage Albertans not to smoke. This is especially the case for young people who are more sensitive to price change. While the Alberta economy has raised incomes, tobacco rates have stayed the same since the last increase in 2002. The disincentive to smoke is not as strong as it once was.

Our primary goal with this piece of legislation is to help discourage smoking. Bill 37 proposes raising tobacco taxes by 16 per cent, \$5 on a carton of 200 cigarettes. The tax rate for loose tobacco and cigars will also be raised at the same time to ensure that the tax on all tobacco products is comparable. This is the change that was announced in Budget 2007.

Bill 37 also includes some administrative amendments and

ensures that the tobacco tax is consistent with other commodity taxes.

Thank you.

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

Mr. R. Miller: Well, thank you very much, Mr. Speaker. I hope that the President of the Treasury Board feels better now that he has counterbalanced those massive tax cuts that we discussed with bills 35 and 36 with what would appear to be \$90 million in increased taxes for his treasury.

Mr. Speaker, this is a bill that certainly has the support of the Official Opposition. Anything that we can do to encourage those that smoke now to perhaps consider quitting is something that we would support, and certainly measures taken to encourage young people not to begin smoking are something that we would support. So this bill will have the support of the Official Opposition. But – and the President of the Treasury Board was obviously expecting a but, so I'm happy to provide it for him – incenting through increased taxes, while it may go some measure towards what the government is hoping to accomplish, clearly does not address the bigger issue of smoking and its cost to our economy.

Mr. Speaker, last May 31 in this House, on a day that just happened to be World No Tobacco Day, I asked the minister of health if he could provide us with the numbers. They're startling numbers, absolutely startling numbers. I asked the minister of health what the direct cost to the Alberta treasury was for health care services provided to deal with smoking-related issues: \$471 million in direct costs to the health department. The total cost to the economy, according to the government's own figures, \$1.296 billion – \$1.296 billion, for the those on the other side that are yawning and can't seem to stay awake for this most important discussion, the cost to the Alberta economy due to smoking and smoking-related issues. Those are the government's own numbers. Those are the health minister's own numbers.

4:20

The government projects that with the passage of Bill 37, the Tobacco Tax Amendment Act, 2007, we will collect an extra \$90 million in taxes. That should bring us to a total this year of \$890 million in tobacco taxes. Now, you have to put all of these numbers in context with each other. So \$471 million is the direct cost to the department of health, yet we collect \$890 million in tobacco taxes. Those taxes once again disappear into the black hole of general revenue. They're not specifically directed to health care programs or to smoking cessation programs. In fact, Mr. Speaker – and this is perhaps the most disturbing thing of the entire discussion – only \$9 million this year is contemplated to be spent on smoking cessation and other tobacco reduction strategies.

So here we are with the government saying that we need \$90 million more from those that are smoking to encourage them not to smoke anymore and to encourage young people, who are particularly price sensitive, not to take up the habit, but of that \$90 million that we collect, we're investing only \$9 million. That's \$90 million extra. I'm sorry. It's \$890 million, almost \$900 million that we're collecting in tax, and we're investing only \$9 million of it back into smoking cessation and tobacco reduction strategies. One per cent, Mr. Speaker, of the tax that is collected goes back into programs to help people quit smoking or to help encourage them not to begin. Clearly, this is woefully inadequate.

I think the government should collectively hang their head in shame because this is much more about a cash cow than it is about smoking cessation or encouraging people not to start. If, in fact,

they were serious about those initiatives, then they would literally put their money where their mouths are and put some money into smoking cessation programs and tobacco reduction strategies, but that is not happening. Not only is it not happening, but it's pitiful. I'm sure I can't come up with strong enough words. It's beyond disturbing to see that we only put 1 per cent of the tax that we collect back into those programs that are so terribly important in terms of convincing people not to start or to stop partaking in the habit that they're in now. That is just huge, I think, in terms of this overall debate.

While we support the bill – we support the collection of more tax from tobacco, and we certainly support the idea of encouraging people not to start and those that are smoking to consider quitting – really what we're talking about here is a cash cow: more money for the government, more money for ad hoc spending, more money to be spent without any long-term savings plan or any real vision as to where we're going but no real, sincere effort on the part of the government to help with this major burden on our economy and with this major health concern for the people of this province. My head spins: \$1.3 billion cost to the economy; \$9 million that we spend to try to get people to quit. I just can't believe it.

An Hon. Member: He's light-headed.

Mr. R. Miller: Yeah, now I'm getting light-headed, and it certainly isn't as a result of those major tax cuts that we provided Albertans with a few minutes ago.

A couple of other things caught my eye as I was preparing for today's discussion, Mr. Speaker. I see that the Ontario Campaign for Action on Tobacco has just recently released a study concluding that contraband in Canada – and we're referring to tobacco, of course – is increasing compared to their 2006 study. This study now shows that 22 per cent of cigarettes smoked in Canada are illegal, compared to 16.5 per cent in 2006, so a dramatic increase, a nearly 50 per cent increase in the number of illegal tobacco products that are being consumed in this country as a result of higher taxes, presumably. I think it bears asking the question of the Finance department: if they have any similar studies that would show the breakdown in Alberta. This particular study showed that \$449 million in Ontario alone was being lost to contraband tobacco and a total across the country of \$1.6 billion per year.

Again, if we're going to talk about forgone revenues and getting our fair share, as we have a lot over the last two days in this Assembly, here is another example of that, I'm sure, as governments continue to increase tobacco taxes. What this study is showing us is that despite, you know, the good intentions of the government in terms of trying to convince people to either quit smoking or not start, in fact, what we might be doing, Mr. Speaker, is simply driving the habit underground and thereby allowing a situation to develop where we're not collecting our fair share of tax. So that would be a question that I'd certainly be looking for more information on from the Treasury Board president or others on that side: if they could provide us with Alberta-specific numbers as to what percentage of cigarettes being smoked in Alberta are illegal and also how much tobacco tax revenue we might be forgoing as a result of that.

Interestingly enough, the same website, Ontario Campaign for Action on Tobacco – and this is not directly related to the tax amendment that's in front of us, but I think it's something that members will find informative and an idea whose time is due in Alberta, as far as I'm concerned. On October 10 of this year Governor Arnold Schwarzenegger of California signed a bill that would make it illegal to smoke in a vehicle if someone under the age

of 18 is present, and that bill comes into force in California on January 1 of this coming year, Mr. Speaker. Certainly, if we're going to talk about the negative impacts of smoking on our economy and on our society in general and if we're going to talk about initiatives to try to encourage young people not to smoke, I think one of the best things we could do in that regard is look at the situation where young people are in a confined space and being exposed to second-hand smoke. Clearly, one really good example of that would be the situation where they're in an automobile. So that's something that I would hope that perhaps the health minister would give serious consideration to as we prepare our legislative agenda for the spring.

Now, there is also contemplation in this bill, section 32(7) in particular, that deals with amending the act so that disclosure can be made to anyone of information that

- (a) is readily available,
- (b) is in a summarized or statistical form, and, in theory, at least,
- (c) cannot, directly or indirectly, be associated with or identify a particular person.

This has been contemplated in order to allow a freer exchange of information between police authorities and other entities that might be investigating the contraband that I was referring to a few minutes ago.

On the surface clearly it would be a good thing that we make it easier for these various authorities to exchange information and try to track down that illegal trade of tobacco and make sure not only that it doesn't continue but that governments across the country are able to collect the tax that is due to them, but it certainly does raise some privacy concerns. We've discussed several privacy issues in this House over the last three years that I've been a member, and I would be looking for some assurance from the department or the minister or the mover of the bill that, in fact, there will be safeguards in place so that exactly what is described here is the way that this legislation does unfold, that the only information that is shared would be nonidentifying information in a statistical form and would not either directly or indirectly be associated with the identity of a particular person.

Also, I'd just like to note that the Canadian Taxpayers Federation recently polled their members, and as shocking as it might have been for Albertans to hear that this government actually supports increasing taxes, interestingly enough the Canadian Taxpayers Federation found that 70 per cent of their members who responded to the recent survey also supported this particular tax increase. I think it does show that in the right circumstance a tax increase can be supported by all sides of this House and by all political spectrums. But, again, my biggest concern, Mr. Speaker, is that, in fact, simply raising the taxes that are collected on tobacco and not addressing the much bigger issue is only a baby step in the right direction.

4:30

The other thing that I would like to comment on just briefly before we move on is something that I've mentioned many times in this House: the need for some sort of an ethical investing policy. With the new corporation, AIMCO, coming into being, the minister almost seems to have wanted to distance himself from giving any sort of direction to them in terms of where we invest our money. But last year in this Legislature the Minister of Finance conceded that at that point in time we had \$57 million directly invested in tobacco companies.

Once again we have the government talking out of both sides of its mouth. On the one hand, they're saying that we have to increase tobacco taxes so that we can encourage people to either quit smoking

or not start smoking; on the other hand, the same government and in this case the same minister directly investing \$57 million into tobacco companies. That's indefensible. I'm sorry, Mr. Speaker, but there isn't a person on the other side of the House who could convince me that this is something that we should be doing, and I think most Albertans would agree. If, in fact, you believe that tobacco use is harmful to our economy, to our society, and to our citizens, then how can you possibly defend directly – directly – investing \$57 million into those very same tobacco companies?

I hope we'll have the time, Mr. Speaker, to deal with a private member's bill which I have coming up shortly, which will if successfully passed by this Legislature mandate that the Finance minister and by extension AIMCO would thereby divest themselves and never again directly invest in tobacco companies. That's something that I really hope we can move towards.

You may recall, Mr. Speaker, that earlier in the life of this particular Legislature we had successfully passed an amendment to the – I can't recall the exact name – cancer legacy act or whatever it was called, whereby the government agreed not to directly invest any of that particular money into tobacco companies. Here is a perfect opportunity for the government to do the right thing and put into legislation and thereby give direction to AIMCO that we will not direct any money directly into tobacco companies.

Those are my comments for this afternoon, Mr. Speaker, on Bill 37, the Tobacco Tax Amendment Act, 2007. I look forward to comments of others and particularly look forward to having the opportunity to deal again with this bill in committee stage.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Calder, followed by Edmonton-Gold Bar.

Mr. Eggen: Thank you, Mr. Speaker. I rise with pleasure to have a chance to make some comments on Bill 37, the cigarette tax amendment act. Perhaps working backwards from what I had prepared to just reinforce what my colleague from Edmonton-Rutherford was just saying, you know, there has to be a certain congruency between different pieces of legislation and intention that our Legislature is putting forward into law here in the province of Alberta just so that one hand might not be doing one thing while the other hand is doing something else but also to have some congruency for the public to see that we have an integrated approach to reducing the use of tobacco here in the province of Alberta.

I certainly want to compliment at the outset the new advertising campaign that has been on television here in the last few weeks in the province of Alberta. The advertisements seem quite hard hitting and compelling, and they are in a tight rotation as well so that people are less likely to be able to ignore them.

I think that an integrated approach is absolutely necessary, but also a unified approach is absolutely necessary. As the Member for Edmonton-Rutherford had mentioned, if we are demonstrating that we have, say, for example, an ethical investment policy on tobacco that avoids investing in that very tempting investment – because let's not kid ourselves; the return rate for investing in tobacco and alcohol and gambling is very high. We have to resist that temptation, I believe, in the interests of the larger public interest that we are invested to serve here in the Legislature, which is the health and well-being of the population.

Certainly, it's been said many times, but I'll say it again, that of course we have to pay for the other end of any degree of failure we have in regard to tobacco use in the province of Alberta because that ends up at the doorstep of the health budget. People have to be

looked after after they have picked up a debilitating disease or condition as a result of smoking on the other end of our same budget, same tax dollars on the health side. I guess my main point of argument here with Bill 37 is certainly that it is promising and it's a good opportunity for us to increase the tax, but then I just have a couple of comments as to how we might nuance that to make this bill the most effective act possible.

You know, the things that I have been reading about in terms of the price of tobacco and then the corresponding reduction in use of tobacco: there's an interesting equation that happens, and it has a lot to do with the wealth of the population. I read in the newspaper just recently that it's difficult to deter young people from buying tobacco, say, for example, even though the price of a package of cigarettes is over \$10 because in our economy these days this is what a young person can earn in less than an hour's work. If that money that they are earning is not for essentials, if they're living at home or, you know, they're having that as disposable income, then even a price of \$10 or \$12 is not necessarily a deterrent for young people to pick up the habit of purchasing and consuming tobacco.

Tobacco, let's not forget, is an addiction with very well-documented neurochemical costs. High prices don't necessarily stop people from addiction. We see, unfortunately, with other harmful substances such as cocaine or alcohol and whatnot that people will spend their last dollar to feed their addiction. So we don't necessarily have a magical price point that's going to price people out of using tobacco as such. Also, there are studies that show that a 10 per cent hike in prices, for example, might result in a 4 per cent decrease in demand but practically will really only bring up about a 2 per cent reduction in actual smoking prevalence. I don't think this is the kind of target that we want to realize from this bill. Of course we would like to see a better return, considering the damaging effects of tobacco use.

So the best way is to follow through on a taxation bill such as this one but also match it and exceed with better smoking cessation programs. My suggestion, then, is to target this increase of revenue that we would realize as a result of increasing these taxes to specifically target smoking cessation programs for individuals through our health system so that we're taking that money and we're targeting it and aiming it specifically at the thing that we're trying to achieve.

4:40

Of course, a smoking tax is, unfortunately, a disproportionate tax to the working poor, people working in lower socioeconomic areas. Certainly, you know, considering the circumstances of people, it's unfortunate that they will spend that last dollar on tobacco. But then, again, we have to target the psychological and physiological root causes of that addiction. As I said before, by targeting the revenues from the cigarette tax amendment act specifically to cessation programs, I feel that we could in fact manage that better, I think.

Certainly, I am encouraged by the focus of this provincial government on tobacco and trying to reduce the percentage of the population that uses tobacco and suffers the ill effects of tobacco. Perhaps by making a couple of small bits of fine tuning to Bill 37, we could realize the goal that we all, I think, share here in the room, and that is to increase the health of our population in the widest possible way by reducing the use of tobacco here in the province of Alberta.

Thank you.

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

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. Certainly, the Tobacco Tax Amendment Act, 2007, is a bill that should be supported, and hopefully it will be supported by all hon. members of this Assembly. We are going to see with this bill increases in tax revenue. Of course this is going to occur because we are increasing the taxes on tobacco. When we look at this closely and we see section 32, which amends communication of information laws to be in line with FOIP and other commodity tax acts, this actually enhances the ability of the government, as I'm understanding this, to transfer information from other governments in Canada and allows people employed in investigating criminal offences to obtain information. I would only assume that that's, again, in light of the Auditor General's recent report and his comments regarding the marketing and the selling of tobacco products on or near First Nations' land.

I think those are, overall, very good initiatives and, as I said before, need to be supported. But we all know the power and the influence of the tobacco industry. We know fully well the lengths that they will go to to lobby and try through those lobbying efforts to influence legislators. Now, one of the outfits that is employed in this is a public relations company called Burson-Marsteller. Burson-Marsteller the tobacco industry, as I understand it, hires to advocate on their behalf. The tobacco industry has a history of opposing government initiatives such as this one with Bill 37, but they always hire, it seems, these public relations firms to do their work for them.

Now, if we look at this Burson-Marsteller, they had a very close relationship with the cigarette maker Philip Morris. As I understand it, they organized the smokers' rights group, the National Smokers Alliance, this NSA, for the tobacco company Philip Morris in the early 1990s. The purpose of the group was to mobilize smokers on behalf of the tobacco industry to protest clean indoor air loss, increase cigarette taxes, and other legislated efforts that would affect cigarette consumption. The smoke-free advocacy organization Americans for Nonsmokers' Rights compiled a report exposing the National Smokers Alliance's links to Philip Morris and showing that Philip Morris funded the National Smokers Alliance with \$4 million in seed money.

Philip Morris, as I understand it, was not the only tobacco company that helped support the National Smokers Alliance. In 1997 Brown & Williamson – whoever they are I don't know – donated \$500,000 in support of the National Smokers Alliance. Now, this, Mr. Speaker, it's interesting to note – and I certainly hope that there's not this sort of influence occurring here in Alberta – is after the U.S. Environmental Protection Agency, the EPA, ruled in 1993 that second-hand tobacco smoke could be ranked as a group A human carcinogen, the same rating EPA gives to asbestos, radon gas, and vinyl chloride.

Thomas Humber of Burson-Marsteller wrote a memo to Ellen Merlo, senior vice-president of Philip Morris, corporate affairs, urging Philip Morris to put into action a list of strategies to fight public health authorities on the issue of environmental tobacco smoke. Now, I'm getting this from the Internet. What I find troubling about this, Mr. Speaker, is the demonstration of just how far and to what lengths outfits will go to try to influence public policy-makers.

How does this relate to this bill? Well, Mr. Speaker, we look at this Tobacco Tax Amendment Act and we see what the government is trying to do, and I think we should applaud that. But we have in Canada here, as I understand it, a firm called the National Public Relations company. Now, as I understand it, National is also affiliated internationally with the same person, Marsteller network, and National Public Relations is also working in central Alberta.

They're representing the Alberta Electric System Operator. As I understand it, one of the groups they want to meet with is UPTAG. They have been phoning people in central Alberta who have been standing up and speaking out against the 500 kV line that the application for was eventually withdrawn by a regulatory body that was embarrassed by the whole process.

This public relations firm, the same one that's affiliated with the tobacco industry in the U.S., is now operating in central Alberta for AESO. Whether they're trying to smooth over the damage that has been done to the credibility of the whole regulatory process, I don't know, but certainly things remain mysterious as to what their motives are.

[Mr. Marz in the chair]

An Hon. Member: Mysterious.

Mr. MacDonald: Yes. Very mysterious.

If this information that I have is true, I cannot understand what a supposedly independent and arm's-length organization such as the Alberta Electric System Operator would have getting an international public relations firm involved in holding meetings with landowners. Now, if the information I've been provided is true and these sources are reliable that indicate that it is an association with the tobacco industry, well, I think we need to have a good long discussion right here on the floor of this Legislative Assembly regarding this because I don't think it's a good way to do business and neither do the good folks in central Alberta who have been contacted by this public relations firm.

4:50

When you look at how these public relations firms operate for the tobacco industry, I would urge all hon. members to be very cautious in approving this process as a way of managing or increasing public confidence in what has been a very, very, very poor process for interested people to participate in, and those are the landowners around central Alberta. I'm going to keep my eye on this, certainly. I'm hoping that more people in central Alberta who have been contacted by this public relations firm will hopefully keep me updated on this. It's not a step in the right direction when you look at how the same sorts of organizations have been working for the tobacco industry in America.

Now, the tobacco tax, Mr. Speaker, we are looking at this. We have consulted the Canadian Taxpayers Federation. As I understand it, they support this bill. They conducted an independent poll, and they were certainly supportive of it. The hon. minister talked about the initiative from the Alberta budget 2007, the fiscal plan. I think we should pass this legislation, and hopefully it will help in a small way to reduce cigarette and tobacco consumption in this province, particularly among younger people.

With that, I will conclude my remarks on this bill at this time, but let's make sure that the same sort of measures that took place to try to discredit certain organizations that opposed second-hand smoke laws in America don't show up in central Alberta using the same techniques to try to discredit people who stand up and speak out and try to protect their democratic rights.

Thank you.

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

Mr. Chase: Thank you very much, Mr. Speaker. Unlike bills 35 and 36, Bill 37 isn't a good example of the adage better late than never.

Had this sin tax increase been legislated earlier, we could potentially have saved lives, hospital bills, and improved the quality of life of Albertans young and old. We know that tobacco is one of the key causes of not only lung diseases but heart disease, and between heart and stroke and diseases of the lungs these are the primary killers of individuals: Albertans, Canadians, the whole world.

We're not going to go into the details there, but I would like to flash back to 2005, and I want to shine a very positive spotlight on the Member for Calgary-Lougheed, a fellow teacher, and that probably has something to do with his enlightened attitude. When he brought forward in 2005 the idea of banning smoking in all public places across the province, that was a truly revolutionary idea. In second reading of that bill it appeared to have gained sufficient momentum that the third reading would just go through and so on, but unfortunately when it came to the Committee of the Whole, the whole concept of saving Albertans from second-hand smoke literally went up in smoke.

That was unfortunate because what has happened since is rather than the province taking a leadership role on banning smoking in public places, it's been the individual cities and municipalities who have outpaced the government in establishing their own legislation.

Again, my hat is off to the Member for Calgary-Lougheed, who single-handedly came up with a good idea that the opposition supported and, unfortunately, the government didn't see the wisdom of.

Now, what this Bill 37 does is it recognizes that the government has a role in establishing what is the greater good for its population. The arguments against individual rights and, you know, "why should we have to wear a seatbelt?" or "if I want to smoke, too bad for everybody else in the room," and "it's my right as a member of such and such a legion," or "if I want to light up while I'm wearing my oxygen mask, that's my individual right" – obviously, the government decided that with raising this particular tax on tobacco, this was good for everybody.

[Mr. Shariff in the chair]

Now, I'm all for sin taxes, both grammatical and in this case taxing questionable values. I'd like to see the same kind of increase applied to liquor. I would like to see a similar tax increase placed on the revenue that private individuals derive from casinos, from VLTs and slots on their premises; in other words, these activities that have very little benefit to them. You know, let's tax them out of existence and improve the quality of life for individuals, but of course that would be overreaching our government stewardship and responsibility.

Again with a flashback to 2005, my hon. colleague from Edmonton-Centre came up with a rather revolutionary idea: take the revenue from a sin tax and turn it into a healthy living promotion. The Member for Edmonton-Centre in her bill suggested setting aside \$250 million of the then \$600 million tax, which would go into health care initiatives. Instead of this money just being perceived as a cash cow, it would actually go into education for healthier living. It would go into financing smoking reduction, helping with student programs, putting more money towards AADAC. Again, the Member for Calgary-Lougheed had the opportunity to take over the responsibility for that area; I'm sure he would have liked to have seen that bill go ahead. By investing, as I say, tobacco money into healthy living, great things could be accomplished.

The member recognized that – you know, she wasn't suggesting that we reward people who have the good fortune of having the genes that allow them to be healthy in the first place. She wasn't

suggesting the government pick up the tab for private gym memberships or being on the golf course. She wanted to see this money going into improving our health care delivery system and into preventative health care measures. She recognized the fact that some people, despite their best intentions, based on their genealogical line have problems which are not of their creation.

I also want to recognize, and not dwell on, a point that my esteemed colleague from Edmonton-Rutherford brought up, and that's the idea of ethical investment strategies for the heritage trust fund. The government is sending mixed, in quotes, smoke signals by investing in tobacco companies through the heritage trust fund while at the same time raising tobacco taxes. You can't have it both ways. Well, in this case I suppose you can.

5:00

Continuing to invest in tobacco is the equivalent of investing in munitions and land mines and so on. We know that smoke kills. It kills first-hand. It kills second-hand. So why would we want to have anything to do with investments in death, basically? Bill 37 recognizes that smoking isn't something that we can just outlaw, but if it's going to exist, at least we can get some derivative benefit from it. I would support, when it comes to discussion, a Bill 38 next year where we say: let's raise it another 16 per cent. The sooner we get rid of tobacco products and the damage that they cause, the better.

I appreciate that the government has brought forward Bill 37. I would encourage them to look at eliminating investments in the heritage trust fund for tobacco. I'd also like to point out, when giving credit where credit is due, that my Edmonton-Centre colleague also introduced legislation, I believe this past spring, outlining and pushing for the banning of power walls, which encourage young people to smoke and take up the negative habit, by removing these displays that entice students as they go into areas. I think that also as part of that proposed legislation there was discussion about taking it out of pharmacies and supposed buildings that promote health products. It was recognized, at least from a Liberal point of view, that you can't have it both ways.

There's no doubt that smoking has no side benefits. If taxing it will get rid of it, then bring on the taxes. Thank you, government, for Bill 37.

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

The hon. Member for Edmonton-McClung.

Mr. Elsalhy: Thank you, Mr. Speaker. I promise to be very brief. [interjections] I thank my hon. colleagues for the warm reception. I appreciate that.

As you know, Mr. Speaker, my previous hat before joining this esteemed Assembly was as a pharmacist. I definitely would like to speak in favour of any measure that would end up reducing tobacco use in this province. Raising taxes is but one measure that is frequently used. I like the fact that by doing this today, should this bill pass, we are going to be the jurisdiction in Canada with the most tax on tobacco products. I am hoping that this would be something that we keep up. We definitely support any measure that would reduce usage in this province.

Eliminating tobacco products from drugstores is something I supported, and it's something the College of Pharmacists supported as well. We have spoken in this House repeatedly about the need to do something like that because you are definitely sending the wrong message when you have tobacco products in a drugstore. We should also look at ways to eliminate tobacco products from all drugstores, regardless of size, in terms of small community stores that are not

banner stores, not megascale grocery stores or the multipurpose ones.

Now, in terms of raising tobacco taxes and raising revenues, I would really like to see tobacco taxes put into a health promotion fund or a disease prevention fund rather than seeing these revenues go into the general fund to be spent on whatever the government decides. If we're raising these taxes to make more money in terms of disease prevention or health promotion, that's one thing, but if we're taking this money and putting it towards potholes or other infrastructure projects and so on, I don't think that's the direction we should be going.

Similarly, when we charge health care premiums. You know, health care premiums are not used for disease prevention and health promotion. They are basically a tax that is put into general revenue to be spent on government priorities that are not necessarily health related. I think this is something we need to be alert to and something we need to be discussing in this House.

Now, from my experience as a pharmacist I'm going to tell you something that you are going to likely find very strange, Mr. Speaker. Take Alberta Blue Cross. Alberta Blue Cross has private plans. You know, as an employer or as a business person you can go to Alberta Blue Cross and start a plan for your employees, and you can add your spouse and your employees' spouses and their offspring and their kids, for example, to that plan. But most of these plans are tiered, so if you pay X, you get coverage for X, if you pay Y, you get coverage for Y, and so on. Then we also have public plans. As MLAs we all have Alberta Blue Cross coverage, as civil servants who work within the government have Alberta Blue Cross, and so on and so forth.

We need to be telling an agency like Alberta Blue Cross that it is time to seriously consider covering smoking cessation aids. You think about the patch, you think about the chewing gum, and you think about all the other tools that are available to help people quit. Raising taxes and making it financially, you know, less attractive is one way, but then also looking at the treatment angle and to help people quit is another thing. I think the time has come for the provincial government to approach an agency like Alberta Blue Cross and say: "What can we do to make this happen? Where do we sign? How much money do you need?" Let's get this behind us. Let's move on. The time has come for smoking cessation aids to be covered under provincial plans.

Take something else. There is a medication, Mr. Speaker, that is called Zyban. Zyban is a medication that is made by a company called Glaxo Wellcome, or GlaxoSmithKline now; they've changed their name. It is a medication that helps people quit, and it is proven. Many research studies have indicated that, yes, it does work. It is not covered by some of those plans I mentioned.

Take the same formula, the same molecule, which is marketed by the same company, made in the same lab, in the same pill press, called Wellbutrin. What's inside is the same. The tablets are exactly the same shape. They're exactly the same strength. They have exactly the same effect. They're made in the same place. They're made using the same machine. Wellbutrin is an antidepressant, and Wellbutrin is covered because depression is a medical disease. It's a medical affliction. It is something that we can treat.

Well, I would argue that smoking and the addiction to nicotine and to the tobacco product is a medical affliction. It is something that we should be treating. There is no justification for this drug to not be covered when, in fact, it's the same formula. We know it's safe. The experts have told us that it does work. How can you justify to somebody who is dying from lung cancer that you can't get this? They can't fight that addiction. They cannot quell that addiction.

These are but a few things, Mr. Speaker, which I have discovered in my life as a practising pharmacist, and I think the time has come for this House and for the government to start thinking about these issues. Making it financially less attractive for people is one great thing – and I totally support this direction – but we have to take this money and put it towards disease prevention and health promotion. We also have to look at ways to help people quit who express that desire. Making that decision is about 50 per cent of the work. The other 50 is looking after that chemical addiction, looking after that chemical dependency and dealing with it.

With that, Mr. Speaker, I hope that this bill passes, and I hope that the House and the government seriously take my points into consideration. Who knows? Maybe in the spring we will hear good things about, you know, Blue Cross and other insurance companies moving towards covering smoking cessation aids.

Thank you very much.

5:10

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

Any others?

Are you ready for the question?

Hon. Members: Question.

[Motion carried; Bill 37 read a second time]

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

[Mr. Shariff in the chair]

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

Bill 7

Private Vocational Schools Amendment Act, 2007

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Calgary-Foothills.

Mr. Webber: Thank you, Mr. Chair. I'm pleased to have this opportunity to provide further clarification and information with respect to Bill 7, including items that were raised during second reading of the bill. Now, it's been quite a while since second reading of this bill, back seven months ago, so I had to do a little bit of reading in the *Hansard* in order to refresh my memory.

During second reading of this bill, Mr. Chair, reference was made to two private institutions, the Canadian College International Institute and Columbia College, and it was referred to by the hon. Member for Edmonton-Strathcona. In *Hansard* of April 3, 2007, the hon. Member for Edmonton-Strathcona talked about how he personally had to deal with complaints stemming from poor management of vocational schools. He said that

in 2005 the ministry had to deal with a complaint about the private school CCII [or Canadian College International Institute] that dealt with excessive grant funding from the government, falsification of attendance records, course quality dilution, and misrepresenting course hours, et cetera.

Now, to clarify, Mr. Chair, the Canadian College International Institute does not offer programs licensed under the Private Vocational Schools Act and is not regulated by Alberta Advanced Education and Technology. I don't know exactly what the hon.

member was talking about or what he was referring to here, but I'm not going to deal with the issue because it has nothing to do with Bill 7.

On the other hand, though, Columbia College does offer vocational training licensed under the Private Vocational Schools Act, and a question was raised by the hon. member regarding the \$87,000 provided to Columbia College in 2005–2006 as reported in Alberta Advanced Education's 2005–06 annual report. Now, this \$87,000 was from the first allocations out of the ministry's access fund. In this phase private vocational schools were eligible for support, and Columbia College was awarded funding for its business management program. Columbia College continues to offer this program and receives the funding awarded during that first access fund competition. However, private institutions offering licensed vocational programs are not currently eligible to receive access fund grants for programs.

Also, Mr. Chair, a question regarding the training provided to temporary foreign workers was also raised during second reading of this bill, and that was brought up by the hon. Member for Edmonton-Gold Bar, who I see is here today enjoying the annual report of Service Alberta. Is that what you're reading there, hon. member?

Mr. MacDonald: The department of agriculture now.

Mr. Webber: Anyway, I'm a little bit confused by what the hon. member had started to ramble about way back on April 5. If I read it here, it says:

When we look at what's going on in this province and what's going on outside this province and recruiting workers into this country and province, we have to be very, very careful about what we're actually going to do with this legislation.

Then he went on to say:

There are also many agents recruiting temporary foreign workers. It is unfortunate that some of the temporary foreign workers are being asked for megabucks, thousands and thousands of dollars to gain access to this province. They're getting here, and they are finding there is very little, if any, work.

Now, there are people in this province that are offering training programs to prospective temporary foreign workers.

The hon. member went on and on. Then he had a question. He said, "How are these trainers affected by Bill 7?" the trainers to these temporary foreign workers. Just to inform the hon. member, temporary foreign workers are already highly skilled workers before they come to this country to work. They're functioning at a journeyman's level. In such cases that you've described, specific trade-related training is provided by the employer. So a temporary foreign worker's training does not fall within the jurisdiction of the Private Vocational Schools Act, just for your information.

A further clarification with respect to Bill 7. Government does not license private institutions. Advanced Education and Technology licenses and monitors vocational programs offered by the private institutions. Apprenticeship and industry training programs are generally not offered by private institutions and not licensed under the Private Vocational Schools Act. The exception is hairstylists or hairstyling training, which is offered by licensed private vocational schools.

Now, changes included in Bill 7 include the removal of the two-tier system of licensing, brought about through changing the wording of section 12(2), repealing section 13(1)(a), and revising the wording of section 24(b) of the act, the removal of the requirement that licences be renewed every two years, which is carried out by repealing section 12(6), section 13(1)(a), section 14, revising the wording of section 24(b), and by the addition of the new section

17.1, which provides a mechanism not currently in the act. It's all in here, all for you to read, and it was available right from day one. So the questions that were asked could have been researched through your own reading.

Advanced Education and Technology will still collect and review information and conduct compliance reviews. The rigour will continue; however, these changes will streamline administration.

Now, to explain these changes in further detail, I want to refer to the removal of the two-tier system of licensing. The hon. Member for Edmonton-Glenora wanted more specifics on this, and he went on and on. I won't even go with the quotes because I couldn't understand what exactly they meant. But I will be clear. Removing class A and class B categories of licences requires all licensed programs to demonstrate satisfactory performance outcomes. From a consumer's protection point of view it is more effective for vocational training to be either licensed or not licensed, instead of downgrading licences with poor performance outcomes from class A to class B. Although the two categories of licences are being discontinued, licensees will still be required to report graduation and employment placement information for each licensed program to the ministry on an annual basis. The ministry will also continue to address instances where performance outcomes are problematic.

5:20

Now, I will quote also another member, the Member for Edmonton-Meadowlark, who back on April 3 said, "Overall, Mr. Speaker, I believe this bill is worthy of support." He went on to say, "The intent of Bill 7 appears to be quite straightforward." It is, Mr. Chair.

I'd like to thank the chair for the opportunity to present this information on Bill 7, the Private Vocational Schools Amendment Act. These changes to the Private Vocational Schools Act are designed to enhance consumer protection and to be more reflective of current practices. I ask that the members support this bill as it moves forward.

Thank you, Mr. Chair.

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

Mr. Chase: Thank you very much. I appreciate this opportunity in Committee of the Whole to participate in the debate. I for the most part support Bill 7, and hopefully the questions I ask won't be considered an affront. I'm looking for clarification.

Having been involved in the delivery of public education for 34 years, I'm very aware of the standards that are applied, very strict and stringent standards. A tremendous amount of Alberta's tax money and general revenue goes into funding education in this province, and I note that approximately one-tenth of what goes from the government to support public vocational schools goes to the support of private vocational schools. However, there has to be that same type of expectation, the need for regulation. I see that one of the points of Bill 7 is to try and make that regulation worthwhile and not necessarily as onerous.

Instead of reviewing the equivalent of a charter every two years, it's going to replace the monitoring on a regular basis. I apologize. I didn't participate in the second reading section of this, but if the member proposing Bill 7 wouldn't mind telling me about some of the monitoring methods that are effective that would be applied to private – I'm assuming it'd be a carry-over from how we monitor our public vocational schools – that would be appreciated.

I also notice that instead of a two-tier licensing system, there's going to be a single tier. That makes sense because then all

vocational schools will have to achieve a particular standard, and as such it'll be a high standard, and we should receive good service, good training from these schools. Again, these concerns may have come up in second reading, but my concern is the certification process for a private vocational school and how onerous the expectations are for a school. Obviously, they have to provide a business model. They have to have some type of start-up money that would ensure that they're not going to suddenly close their doors and leave students literally out in the cold. If the hon. member could provide some information on what assurances or what bonds schools have to take out so that in the event that for whatever reason they have to suddenly close, then the tuition is returned to the students who applied to take the training at their programs. I know that this has been a problem in the past in Alberta, where unfortunately we've had some fly-by-night opportunists who have opened and very quickly closed their vocational schools.

I can get past my public school preference by recognizing that at this point there has not been sufficient funding support for public institutions, whether they be of the academic or the vocational nature, and that has sort of by omission created a niche for private vocational training schools. If they do a good job in filling that niche, then they have a right to be in existence. There is no doubt that a number of students are being turned away from SAIT and from NAIT and from some of the training colleges that are publicly funded. I suppose that, as a result, they're making their way to these private institutions. Hopefully, they're getting a good education.

The explanation of standards set and government monitoring is an area that I would like to hear from them. Hopefully, these concerns of mine are recognized as being legitimate, based on my 34-year professional education career, and every effort will be provided to answer these questions. I appreciate that I'll have another opportunity to ask again if for whatever reason the answer doesn't provide the depth of explanation that I would appreciate.

As I say, in general I support Bill 7, increasing education opportunities for students across Alberta, but I would like clarification about enforcing regulations and establishing regulations before funding is provided. And what kind of protection is there for students so that they won't pay a tuition and then find on the following Monday that the institution has closed down and they're out that money?

Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. Certainly, I listened with interest to the hon. member who is sponsoring Bill 7, his comments regarding debate at second reading. I'm pleased to hear that he has had a look through *Hansard* going back to the spring session. I would like to remind not only that hon. member but all members of this Assembly that there is a role for the Alberta Advanced Education and Technology department. I don't think I should say technology, just advanced education. I may be getting ahead of myself there.

An Hon. Member: And technology. Yes, indeed.

Mr. MacDonald: And technology. Okay.

As I understand it, there's a private vocational training division within that department run by the director of private vocational training, and the director is given the power by the regulations to license and oversee the province's vocational programs. Now, that being said, I would like to alert the hon. member to the fact that there are many different classifications or types of visas for tempo-

rary foreign workers to this country. Some of them are very, very limited, and they restrict a temporary foreign worker. In fact, they prevent that person from getting any additional training or training in another vocation. I've seen these visas.

I would remind the hon. member that his comments earlier were not correct because the department of advanced education is the one that is giving these individuals temporary accreditation. They're supposedly looking at the trade qualifications or the vocational credentials of these individuals before the temporary foreign worker visa is issued and accepting or rejecting those qualifications. The individual, if the visa is approved, is allowed into this country, into this province, and they have six months to challenge and pass Alberta's qualifications. So those are the rules.

I had a group of temporary foreign workers visit my office. I had the pleasure of talking to them in September. Some of them couldn't find work.

5:30

Mr. Horner: Nothing to do with this bill.

Mr. MacDonald: Yes, it does, hon. member, have a lot to do with this bill because it was your department that said that their qualifications were valid, yet whenever their original employer refused to hire them, others would not.

This is the niche that the private vocational colleges want to get in. Now, they want to get money – they're another group that have got their hand out to try to get these individuals involved in a rather confusing transaction, and that is the upgrading of their credentials or the acceptance of their credentials, to start with. So the temporary foreign worker: there is an issue around this bill and how they are being treated.

Hon. Minister of Advanced Education and Technology, you should check with your own department and make sure that the accreditation process is working, because there's a gentleman in there – I've seen the letters myself – by the name of Mr. Olie Schell who was signing off on these qualifications. No one knows whether these qualifications have validity or not. There are people in there signing those letters, and I can provide to you, hon. minister, copies of those letters.

Mr. Horner: What's the relevance to the bill?

The Deputy Chair: Hon. minister, the chair will be happy to recognize you next.

Mr. MacDonald: Thank you. I appreciate that.

Private vocational schools see the plight of these innocent victims of temporary foreign worker policy gone bad. They see them as a market opportunity. I would ask the hon. Member for Calgary-Foothills and the minister of advanced education to please be aware of that and try to do everything to stop it and protect these individuals from any type of exploitation.

Thank you.

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

Mr. Eggen: Thanks, Mr. Chair, and I will keep my comments brief. I was only able to look briefly at Bill 7. Certainly, the Member for Calgary-Foothills seemed to alleviate some of my concerns that just come from the private vocational training facilities in general, specific to quite a number of complaints that I have had to deal with from some specific private training schools in the last couple of years.

I guess my questions here in the Committee of the Whole are very specific to whether or not Bill 7 will seek to streamline the accreditation process for specific skills and if that is one of the benefits or one of the capacities of this bill. I see that you are streamlining, as you say, removing the two-tier system for accreditation, which is certainly laudable. I guess what I see as a potential problem is that – well, I mean, it's a good problem to have – we have a demand for lots of skilled workers, and we have, then, a burgeoning industry to train people for specific skills. It is our responsibility to ensure that the regulations surrounding new training facilities are stringent enough so that people aren't wasting their time and money in vocational training that might not be in fact recognized by the trade or the workforce, the people doing the hiring, and people aren't spending their money on these things as well.

Everyone wants to improve their station and lot in life, and I see young people often taking a couple of years off after high school and then going back and choosing, perhaps, a commercial training facility as opposed to Grant MacEwan or NAIT or SAIT or university. Then if that experience is not to their satisfaction, they will give up in terms of postsecondary and further postsecondary training. The timeliness and the effectiveness of any postsecondary training is so crucial to ensure that the individual has a good experience, they're not wasting their money, and they can derive the benefits that they perceived that they would in fact get from signing up at a postsecondary training facility.

Mr. Chair, whenever there is a new, expanded opportunity for an industry, as we see now with postsecondary training, certainly it's necessary for us to streamline or cut the red tape, but it's also important for us to regulate. I'm just hoping that Bill 7 serves to be stringent enough to send a clear message to people, perhaps, choosing to set up sort of a training school or vocational training of any kind that the provincial government, indeed, will retain control of the integrity of that education.

Thank you.

The Deputy Chair: Any others? Are you ready for the question?

Some Hon. Members: Question.

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

Mr. Webber: Mr. Chair, I'd just like to refer to a couple of the questions that they had asked just before we call the question. I apologize to the Assembly here.

Anyways, with respect to the hon. Member for Calgary-Varsity, he had asked a number of questions which are in the regulations. I've printed the regulations from the Queen's Printer. It's on the web. It has everything from criteria for vocation. It's got the exemptions. It's got conditions precedent. It's got licence renewal. It's got separate applications. It's got everything in here, in the regulations, that would answer all of the questions that you had asked with regard to monitoring methods, with regard to licensing, with regard to the certification process, the bonds. Are there bonds? Yes, there are bonds. It says it all in here. I would suggest, perhaps, that you read the regulations.

Also, Mr. Chair, the hon. Member for Edmonton-Gold Bar went on again with regard to the temporary foreign workers. Again, the amendment to this act removes the distinction between types of licences. Okay? It also removes the stipulation that licences must be renewed every two years. It provides mechanisms for licences to request cancellation or suspension of a licence. It also changes the name of the act. That's what this amendment is all about. To go

into a debate with regard to temporary foreign workers has nothing to do with the bill, so I'm not going to bother with it.

With regard to Edmonton-Calder: again, read the regulations. It's all in there.

Thank you, Mr. Chair.

The Deputy Chair: Any others?

Are you now ready for the question?

Hon. Members: Question.

[The clauses of Bill 7 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

5:40

Bill 8 Vital Statistics Act

The Deputy Chair: Hon. members, are there any comments, questions, or amendments to be offered with respect to this bill?

The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you, Mr. Chair. I'd like to take this opportunity to respond to the questions raised by the members for Edmonton-Strathcona, Edmonton-Rutherford, and Edmonton-Gold Bar, and I thank them for those questions.

With respect to the motivation for updating the act, the majority of the vital statistics work is done on policy as the legislation is outdated.

As to why the term "director" is being replaced with the term "registrar," we're doing this to update the language in the act to make it consistent with the terms used in other registries legislation.

In response to whether any changes to this act may have been spurred on by the need to improve security measures for private registries, there are no changes that were made specifically because of the private registries. Additional security measures were added to the Change of Name Act in 2004.

In response to how this bill will be responding to organized crime, there are two amendments that will respond to the increase of identity theft and fraudulent identity. First of all, this bill makes it an offence to fail to return fraudulent birth certificates to vital statistics. Secondly, the bill requires evidence of a birth and that it has occurred in Alberta if the birth occurs outside of a hospital. This will help minimize the creation of fake individuals and identification.

As to whether the law enforcement agencies were consulted in drafting the bill, they were specifically consulted on the requirements for minors aged 12 to 17 to submit their fingerprints with their change of name application.

In regard to our respect for cultural and ethnic diversity in the drafting of legislation, we worked very closely with the constitutional law division of Alberta Justice, who ensured that we were in line with the Charter.

With respect to whether any amendments are in response to Charter challenges, there is an amendment that has been added for this reason. It allows the registrar discretion to allow a child to have

a different last name from their parents if it is for cultural or ethnic reasons due to the numerous successful Charter challenges on this issue.

In response to how we are accommodating the provisions of the FOIP Act, we have added a regulation making authority to allow us to prescribe in regulation all of the information we are requesting on vital statistic forms to ensure that there is a clear authority for its collection.

To clarify what happens with fingerprints that are submitted with a change of name application, they are sent to the RCMP in Ottawa for comparison with their criminal record database. If a person has a criminal record, their record is updated with their new name; if not, no file is kept with fingerprints. In all cases the RCMP return the fingerprints directly to the applicant.

Thank you, Mr. Chair.

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

Mr. R. Miller: Well, thank you very much, Mr. Chairman, and thank you to the Member for Whitecourt-St. Anne for providing responses to the questions that I raised during second reading.

I've indicated in the past that the Official Opposition caucus is for the most part supportive of this bill and the objectives that the government has laid out with presenting it. We're always cautious, Mr. Chairman, of the sensitive nature of the issues that are being discussed in Bill 8 and wary of the fact that attempts to accommodate ethnic and cultural diversity can lead to other problems. Those were points that were raised in second reading and I'm still mindful of today.

Since we're in committee, I do have a number of questions that I would like to get on the record. I'm not sure how much time we'll have to deal with them today, but perhaps tomorrow or at a later date we may see some answers to this.

Part 1 of Bill 8 deals with births in Alberta and particularly the registration of births in Alberta. One of the interesting things that I note, Mr. Chairman, is that section 3 of part 1 deals with the birth registration document and, in particular, describes that if more than one child is born, as an example twins or triplets, a separate registration document for each child must be provided, each document stating how many children were born.

I know it's a rare situation, but certainly we've seen an example in B.C. just recently with conjoined twins. I'm wondering whether or not – the Treasury Board president is chuckling, but it is a reality; it does happen, of course. I'm curious whether or not Bill 8 contemplates that situation and how, in fact, that might be dealt with if we had a situation of conjoined twins. Would there then be a single registration document that would suffice if the decision was made not to separate the twins? If that's the case, what happens down the road if the twins were to be separated? These are difficult issues, I'm sure, to be dealt with, but I'm wondering, if we're amending this act to deal with any number of things, whether or not that has actually been contemplated. It's been years and years, as the member indicated, since we've dealt with this issue and updated it, and here's a perfect opportunity for us to deal with a difficult issue that we've seen, you know, in the neighbouring province of British Columbia. That's certainly one that I would be looking for some clarification on.

Section 4 of the same part 1, dealing with birth registrations and particularly the notice of birth, goes to great lengths to describe how physicians attending the birth will deliver notice to the registrar. It talks about all sorts of responsibilities and encumbrances upon the registrar.

Then it goes on in section 5 to refer to the registrar again, that

within one year after the birth, after the registrar is satisfied that all of the documentation required by the act is sufficient, the birth would be registered.

I guess my question is this. Clearly, it would seem to me that the registrar must be trained and well educated in legal matters. I'm just wondering whether or not that is a deviation from the act as it currently sits. What sorts of safeguards would we be putting in place to make sure that the registrar's office would be fully competent and capable to live with the greater demands of Bill 8 as it's been presented to us here today?

Also, section 6 of that part 1, dealing with birth and again talking about registration after one year, describes that when a birth is not registered within a year but the registrar receives an application for registration, if it is then verified by affidavit and accompanied with a birth registration document, the prescribed evidence respecting the birth, and the prescribed fee, the registrar shall register the birth. The question that I would have there is: what exactly constitutes prescribed evidence? I'm not sure that it's necessarily outlined in the bill itself, and perhaps that comes in regulation. But that would be a clarification that I would be looking for. I see that the Member for Whitecourt-St. Anne is nodding his head, so I'm going to guess that, in fact, that is the case.

Moving on, then, to section 8 of part 1, the naming of the child. Section 8(5) describes that the last name of a child must be registered as follows:

- (a) if the parents agree, showing:
 - (i) the last name of one of the parents, or
 - (ii) the parents' last names hyphenated or combined.

Then there's the contemplation that the last name can be a combination of the parents' last names.

Later in the bill it states that the registrar may refuse a name if he or she determines that it is offensive or confusing. My question would be: what would happen if the parents combined their names in a manner that the registrar opposes? Will that provision trump the provision that we've just described? It seems that it gives an awful lot of power to the registrar, I suppose, to dictate what is and is not an offensive name. I'm a little curious about that and might look for a little further discussion on that. [interjection] Now the President of the Treasury Board is asking me for some examples of melded names. Well, there's a great exercise that I've seen on the Internet, Mr. Minister, where you can actually put in your name and somebody else's name, and it'll come up with all sorts of examples, some of which, I'm sure, wouldn't be appropriate to mention in this body. Nevertheless, that is out there for those who wish to partake in it.

5:50

Now, as I said, the registrar has the ability to actually determine what is and is not an offensive name. Also, the registrar would be given the power to refuse to register names that he or she thinks might cause confusion, be a source of embarrassment, could defraud or mislead the public, or be objectionable on any other grounds. I'm going to suggest that the registrar should have had these powers when a fellow I know was given his name by his parents. His name is Robert Loblaw.* Of course, he's gone through his entire adult life being referred to as Bob Loblaw. I'm going to suspect that he wishes that the registrar had had these powers at that time. He might have been able to save an awful lot of embarrassment and headache for Bob Loblaw.

In all seriousness, given the subjectivity involved in determining what might be an offensive or confusing name, the registrar would clearly have to be extremely well educated in terms of ethnic and cultural diversity. That is a question, I think, that we need to explore

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

a little bit. What might at first seem to be confusing or objectionable to the registrar might be perfectly normal and acceptable in other cultures. Really, it leads to a question of what sort of cultural training and qualifications the registrar would have if he or she is going to have the power to make these sorts of determinations. I think that's a valid question. Again, you know, the mover of the bill and the Minister of Service Alberta I think both have been very cognizant of the cultural sensitivities in the drafting of this bill, but it doesn't stop with the drafting of the bill, of course. We have to be awfully careful in the actual regulations and then even more so in the application of both the legislation and the regulation. That's something that's important to be mindful of. I think I'm going to leave it there for now.

There's one more thing I'd like to read into the record on the question of births, and that is the whole contemplation of a child being born on an aircraft. I think the mover of the bill mentioned, you know, that if the first landing of that aircraft is to be in Alberta, the parents should have the opportunity to register that child in Alberta. Fair enough. However, section 13(5)(c) allows "the person who has charge of the child" – actually, Mr. Chairman, I think I jumped ahead of myself here because I'm not actually contemplating birth on an aircraft anymore. What we're talking about here is deserted unidentified newborn children. So birth on an aircraft: we've dealt with that. The mover dealt with the concerns.

Here we are now talking about deserted unidentified newborns. Section 13(5)(c) currently allows the person who has charge of the child to select a first and last name for the child – that would be if this new legislation is passed – whereas the former Vital Statistics Act simply required the director to do so. Again, the question that arises out of this is: who is likely to be the person who has charge of the child, and how will that be determined? Is that, again, going to be in regulation? I'm supposing. Would it be a police force? Would it be Children's Services? How are we going to describe or narrow it down, focus in on who the person is that has charge of the child and has, then, according to the provisions of this new act, the ability to name the child? Perhaps it will also be the Minister of

Service Alberta that would have charge of the child. We could have all sorts of interesting names being given to these kids at that point.

There were questions raised about the amendment of the first name.

The Deputy Chair: Hon. members, I regret that I have to interrupt, but we're getting close to the adjournment hour, so I will call upon the Deputy Government House Leader to move that the committee now rise and report.

Mr. Renner: Thank you, Mr. Chairman. I would move that when the committee does rise and report, we report Bill 7 and we report progress on Bill 8.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Marz: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following bill: Bill 7. The committee reports progress on the following bill: Bill 8.

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

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Renner: Thank you, Mr. Speaker. I would move, given the hour, that we call it 6 o'clock and adjourn until 1 o'clock tomorrow afternoon.

[Motion carried; at 5:57 p.m. the Assembly adjourned to Wednesday at 1 p.m.]