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The Honourable Kenneth R. Kowalski, Speaker

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Legislative Assembly of Alberta

7:30 p.m.

Monday, May 25, 2009

Government Bills and Orders Committee of the Whole

[Mr. Mitzel in the chair]

Bill 27 Alberta Research and Innovation Act

Dr. Taft: [Not recorded] of decision-making over research activities, and I'd like to speak about that for a moment, Mr. Chairman.

The reason this bill is moving forward, I think, and one of the rationales for it is that we want to streamline decision-making. We need to simplify funding and administrative arrangements over supporting research, and we want to streamline the process, speed it up, make sure that funding programs that were complicated for supporting research – because researchers had to go here, and then they had to go there, and they had to go somewhere else, and if everything didn't come together in the same time frame, they might get their operations funding for research in year 1 and not get any equipment to conduct the research until year 2, and on and on. So there were a lot of problems, and I think the idea of this bill is in part to correct those problems.

Where I have concerns around one of the outcomes of the bill, probably an unintended effect, is that it centralizes. In the process of streamlining it brings tremendous control into the hands of a very few, ultimately the minister and the Premier, and I think that the whole effect of centralization on innovation needs to be questioned. I don't dispute the government's right and, indeed, the government's responsibility to set some broad frameworks for research directions. If you're putting a half a billion dollar fund together to fund research, you'd better have some idea of what the research is going to be about, but that's already being achieved when we have things like, you know, a fund for medical research or a fund for engineering research.

As the control from the central figures, the minister and the Premier, becomes more and more specific, the danger here is of micromanaging research, and I think we need to really be alert to that because I think that sort of centralization will actually achieve the opposite of what this bill wants. Instead of encouraging innovation, I think that too much centralization will discourage innovation. As I said in my comments a couple of weeks ago, the great innovations of history – the printing press or, you know, Einstein's $E = mc^2$ or Steven Jobs inventing the personal computer, whatever you want – weren't undertaken because some central figure said: thou shalt innovate and invent a personal computer. Those were very much decentralized innovations that came through a culture of innovation. I think there's a risk that this bill will lead us in the opposite direction.

There's, not surprisingly, a fair amount of literature on the effects of centralization and innovation. There are a number of concerns. I'm not going to go through all of them, but I do want to raise one particular concern with having a research structure that in the background document says that the mandates will be set by the Premier. It refers repeatedly to the Premier's priorities. Then we see the minister named in the act as being quite closely in charge. The minister chairs the cross-governmental committee, and the minister and cabinet appoint the people who sit on the research authority, and so on and on. One of the concerns – sorry, I'm just getting distracted by one of the members. [interjection] Thanks. I know you're not meaning to, but it's just a little bit loud.

One of the concerns when there are just a very few people setting the tone for the whole research structure is that if those few people become captured by a particular interest group, the entire structure can end up getting rearranged. The former Premier here, Ralph Klein, in his last couple of years seemed to suddenly develop a real passion for cancer research. He unveiled a plan for a billion dollar fund on cancer research, and there was the hope of curing cancer. There was a great deal of activity around that, not nearly as much money in the end, and then when he was no longer Premier, that priority faded out. Now we have a Premier with a different set of priorities, and who knows how long those will last? Frankly, I think that having somebody in centralized control of decision-making raises the risk that under a concerted effort of lobbying that minister or that Premier can end up being captured to special interest.

Imagine a very aggressive bioenergy lobby on the Premier today. You know, it would be timely. It would be kind of tempting even though it's not at all clear that it's a viable area. But if the Premier were captured sufficiently by interests committed to bioenergy research, then suddenly we might find a significant shifting towards bioenergy. That might go on for two or three years, and then a new interest group would capture a new minister who would be in place by then, and there could be another shifting there. I'm very concerned that by having things so centralized, the system itself is prone to being captured, if I may say it that way, by special interest groups.

In the same way that that could lead to research getting focused on one or two areas and the system lurching about every time the minister changes or the Premier changes, there's also the possibility that research would never be done on areas that were deemed politically dangerous. I think that's also a concern. That's one of the basic issues with this bill.

There's also, of course, the whole idea – and I think it's kind of ironic that this comes from a government that seems so consistently committed to the marketplace because the marketplace is all about decentralized decisions. You know, there's a sort of famous case study on how it is that people in Edmonton, for example, can go to any number of grocery stores in the middle of January and get fresh tomatoes. How does that happen? Well, when you look at that, it doesn't happen because there's a minister responsible for fresh tomatoes. It doesn't happen because there's some centralized structure. It happens because there's this tremendously decentralized structure, and a whole series of marketplace decisions that seem to occur on their own lead to us having fresh tomatoes in Edmonton. You know, the comparison was the old Soviet system, where there was central planning. I don't know how fresh the tomatoes were in Moscow in January, but I don't suppose they were that great.

7:40

I'm concerned that in the same kind of way the marketplace for ideas under this bill is being centralized in a way that's actually going to be inefficient and stifling. I think it's, as I said, a bit ironic that a government that's apparently on paper committed to free ideas and decentralization and market forces and so on in this case is actually going the opposite direction. So, Mr. Chairman, I have an amendment I'm going to propose for this bill.

The Deputy Chair: We'll pause for a moment while the pages distribute the amendment.

Dr. Taft: Thank you.

The Deputy Chair: Hon. members, this is amendment A1. Please proceed.

Dr. Taft: Okay. Thank you, Mr. Chairman. For the record amendment A1 reads that I move that Bill 27, the Alberta Research and Innovation Act, be amended by striking out section 4(1) and substituting the following:

4(1) The Authority shall consist of not more than 12 members appointed by the Lieutenant Governor in Council as follows:

- (a) 2 members nominated by the University of Alberta General Faculties Council,
- (b) 2 members nominated by the University of Calgary General Faculties Council,
- (c) 2 members nominated by a public post-secondary institution as defined in the Post-Secondary Learning Act other than the University of Alberta and the University of Calgary, and
- (d) 5 persons recommended by the Minister.

That's the end of this proposed amendment.

I just want to draw to members' attention how that compares to what's there right now. What's there in the act right now says:

4(1) The Authority shall consist of not more than 12 members appointed by the Lieutenant Governor in Council.

It's pretty obvious what the idea here is, and that's to bring in multiple voices, to bring in the wisdom of several perspectives to that council. We're frankly concerned, as we've seen this play out with the Alberta Health Services Board or see it play out with other organizations, that when everybody is appointed at the discretion of the Lieutenant Governor in Council, you tend to get people who are politically safe. You don't get the rabble-rousers. You don't get the innovators. You don't get the people who are pushing the limits. You get the people who are politically safe. Sure, they may have academic qualifications, or maybe they won't. But when the chips are down, the number one qualification is that they are politically safe. You can be sure that those people are going to be coming from one slice of life and that they are not going to reflect broadly enough in our view. They're also going to be accountable not to the various institutions or to the researchers or to anybody else but accountable strictly to the minister, in effect, and the Premier.

The effect of this amendment that I'm proposing is to diversify the membership of the board. The Lieutenant Governor in Council would still appoint five persons as recommended by the minister, so the minister still has the largest voting block, as it were, on this authority. But the authority would also be comprised of members nominated by the two largest research organizations in the province, the U of A and the U of C. Their general faculties councils would each nominate two members, and then we would get two members from another postsecondary institution. That might be the University of Lethbridge or Athabasca. It could be NAIT or SAIT or one of the colleges. It could be – who knows? – perhaps in the future some different institution entirely.

The idea of this amendment, Mr. Chairman, is to reflect the need for many voices so that we get a genuinely rich and diverse view, the need, frankly, to dilute the risk of political safety around the board of the authority, and to open space for the real spirit of innovation to be breathed into the authority.

I think it's pretty straightforward. I leave it open now to debate from members of the Assembly. Thank you.

The Deputy Chair: Any members wish to speak to the amendment? The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you, Mr. Chair. I'll rise and support this amendment. It reminds me of an amendment that we attempted to move a few years ago, back when we were dealing with legislation setting up the Access to the Future Act. At that time we attempted

to suggest that the best way to govern such things is to get a diversity of voices onto boards and agencies like this one. Although that didn't go through, I still think that the rationale is sound for this idea.

I do think, especially where we're talking about research and innovation, that the very definition of research and innovation involves creativity, diversity of viewpoints, the dynamic tension that can come sometimes from that diversity of viewpoints, which leads to more creative paths of thinking and more creative undertakings and more creative developments in many cases. That works in the lab. That works when you're doing the actual research. I think that'll also work in terms of setting up the reorganization, if you will, of our research and innovation sector.

I'll be brief. I'd just speak very quickly in favour of this. I think it would be a good idea. It brings people from the University of Alberta, people from the University of Calgary, people from at least one other public postsecondary institution, and then five people of the minister's choosing to the board. You'll notice as well that "the Authority shall consist of not more than 12 members," and we've only tried to define here where 11 of those members should be brought from, so there's potentially a 12th member up for grabs here that could potentially be appointed from, oh, perhaps out of province, something like that.

You might go looking for somebody like someone from the Natural Sciences and Engineering Research Council of Canada, for instance, to add some outside perspective to the authority and, I think, create the conditions – there are never any guarantees, of course – for more innovation and more leading-edge work as we combine these various corporations and try to make our entire research and innovation sector a whole lot more efficient, effective, and leading edge.

With that, I'll take my seat and let others join the debate on the amendment.

The Deputy Chair: The hon. Minister of Advanced Education and Technology.

7:50

Mr. Horner: Thank you, Mr. Chair. Well, first of all, I'd thank the hon. member for the effort that he put into this amendment, but I'm going to have to tell my colleagues that I cannot support this amendment, and I cannot support this amendment because the stakeholders would not agree with this. If the hon. member would look at the act.

- 3(1) The Alberta Research and Innovation Authority is established.
- (2) The purposes of the Authority are
 - (a) to provide strategic advice and recommendations to the Minister on research and innovation matters relating to the purposes of this Act, and
 - (b) to carry out other duties . . .
- (3) The Authority reports to the Minister through the Chair of the Authority and is responsible for submitting to the Minister, at the times and in the form determined . . . reports and plans as requested by the Minister.

It's an advisory body. It is the replacement for the Alberta Science and Research Authority. If the hon. member – and I'm sure he did – read the international review panel, eminent scholars from around the world who did the review of the ASRA report said, "What you need to do is to have it outside of the postsecondaries in your province; you need to have international experts from around the world that have a tie to Alberta that can give us the type of advice on direction and where we're going and how we're going to get there," in fact quite the opposite of the centralized control the hon. member seems to be stuck on. In fact, the opposite is to take

international eminent scholars, create an advisory authority that can tell us where our strengths are, where our alignment needs to be, where we need to move forward in consultation with all of our stakeholders.

Mr. Chairman, the stakeholders, that we had numerous discussions with throughout the last year and a half, would not agree to the University of Alberta General Faculties Council being advisory because they have an interest in their institution. I have every faith that they are doing the right things in their institution, but I would not want to put them in a situation where I'm pitting them against each other in their advisory capacity or in a funding capacity because that's been one of the problems. It creates a problem in terms of getting that creativity and that innovation.

Frankly, Mr. Chairman, I'm somewhat surprised at this amendment because this one is pretty straightforward from the international review panel. They would be very upset with me if we were to accept this amendment to this bill. They kind of wrote part of this act, and I would suggest to all hon. members that we should pretty much defeat this thing fairly quickly and move on.

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

Mr. MacDonald: Yes. Thank you very much. I'm very interested in the discussion here and certainly in this amendment. I can understand where the hon. minister is coming from, and I certainly can understand where the hon. Member for Edmonton-Riverview is coming from. His constituency, of course, is home to one of the finest universities in Canada, and he has knowledge of and interest in this matter.

The hon. minister is talking with the international community and the advisers from that community, but he didn't mention the taxpayers, who are responsible for the majority of the money that will be provided, and I'm puzzled at that. I would think that this amendment would certainly give taxpayers a more balanced representation, with people from the University of Alberta, the University of Calgary, two members nominated by a public post-secondary institution: six of the maximum of 12 that would be appointed as members of the authority. I really don't understand what the concern is here from the minister. I think it's a very good idea.

It breaks up the authority, if I can use that term, and the minister may not realize it, but this is another example of centralization. I could list off a lot of legislation that is coming before us, Mr. Chairman, through the House in the last six weeks or so. Certainly, if one word was to describe the theme or the trend, it would be centralization. Bill 36 would be another example of the authority and the scope and the power that rests with the minister and with cabinet. The hon. Member for Edmonton-Riverview here, in conclusion, Mr. Chairman, is ensuring that that does not happen, and in the public interest and in the interest of the taxpayers I think the floor of the Assembly should give this amendment due consideration.

Thank you.

Mr. Horner: Mr. Chairman, obviously, the hon. member didn't hear my previous response. I'm not going to repeat it. I'll allow him to read it in *Hansard* later. But I would like to point out that this authority will not be a funding authority, so I fail to see the taxpayer connection here in the sense that they're not going to be making decisions about funding. They're going to be making decisions about strategic advice to this government, the government of Alberta, about our research initiatives and agendas and where our postsecondaries are going. In fact, the presidents of our post-

secondaries are very keen about this particular piece of the legislation. I would suggest the hon. members might want to talk to them.

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

Mr. MacDonald: Yes. I'll go from the conclusion of the minister's comments to his initial comment. But certainly I have discussed this with various officials at the university. Some are for, some are against, and some move from one foot to the other one. There are a lot of opinions regarding this bill.

Mr. Horner: Did you talk to the president?

Mr. MacDonald: I did. I did talk to the president. Yes, I did.

Now, when you have a fund that comes from our revenue stream or from the taxes, whether it's resource royalty revenues or whether it's from our taxes, ultimately it's from the taxpayers. If this authority provides advice to this government and there is an initiative that doesn't work out well, who loses? The taxpayers.

Thank you.

The Deputy Chair: Any other members wish to speak? The hon. Member for Calgary-Buffalo.

Mr. Hehr: Why, thank you, Mr. Chair. It's a privilege to speak on this amendment. I've listened to both the minister and the Member for Edmonton-Gold Bar and the Member for Edmonton-Riverview, and I still believe this amendment does have some merit in that it does allow for the minister to get advice from credible Albertans that have served their community well and are recommended by our universities. I've heard the argument that they don't want to be picking winners and losers from their own university, but by all means these people would be the leading authorities in Alberta on who has the best scientific chance, I guess, of succeeding. Simply put, you've got to have these types of people, with education and brains and know-how, on Alberta boards.

I also do take the comments of the Member for Edmonton-Riverview quite seriously. There happens to be a tremendous amount of centralization going on right now with this government, and this is plainly evident in this bill as the decision begins and ends with the minister and the Lieutenant Governor in Council. In particular this type of decision-making I do not believe will serve the taxpayers, and the Member for Edmonton-Gold Bar is correct that it is the taxpayers who we're looking out for, the citizens of Alberta who are funding this research and innovation venture that we are ultimately accountable for and to.

I believe having a board more consistent with players both known and not arbitrarily selected by the minister will serve this process very well and would allow for some influences outside of the minister and the Premier's office to set some tone and direction as to where this fund is going and what research gets going. For instance, I would hate to see all of a sudden, you know, a venture down some sort of scheme because it's the thought of the minister at the moment or anything like that. That's just why I think this errs on the side of caution. I think it's a good amendment that recognizes the centralization of power that is occurring.

Thank you very much, Mr. Chair.

8:00

The Deputy Chair: Any other members wish to speak on the amendment?

The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. I think we've probably heard everything we're going to hear on this. I should warn the minister that there are more amendments coming.

Mr. Horner: Then you won't get my speech. I prepared a speech.

Dr. Taft: You have a tremendous speech. Well, you can give that after we vote on this.

I just want to comment to the minister that, in fact, I spent a good deal of my week last week consulting with stakeholders, and I was a bit surprised at how few of them knew much at all about this bill. I think the stakeholders the minister has consulted are at the level of the president and the vice-president of the university. When you get talking to the researchers, including the very, very senior researchers, they have just a passing knowledge of this piece of legislation. You know, there's ambivalence. We're not saying to throw the whole bill out, but there's ambivalence about how this is headed.

When you sit on our side of the House and you watch one piece of major legislation after another centralize control in the hands of fewer and fewer people, there's a pattern here. It's a pattern in health care. It's a pattern in education, K to 12. It's a pattern now in research. It's a pattern in land use. It's a worrisome pattern, and I don't think it's good for Alberta. So this is just a small gesture aimed at providing insurance against one voice and a groupthink taking over at that particular level.

So I'll call the question on that at this point, then, Mr. Chairman.

The Deputy Chair: Ready for the question?

Hon. Members: Question.

[Motion on amendment A1 lost]

The Deputy Chair: On Bill 27, the hon. Minister of Advanced Education and Technology.

Mr. Horner: Well, thank you, Mr. Chairman. It's indeed a pleasure to rise today and address some of the questions. I know the hon. members have further amendments that they might be wanting to bring forward, but I thought perhaps it might be a good time for me to get on the record some of the responses to some of the questions that were brought up in second reading and some of the other debate that we've had on this bill.

I would like to also, Mr. Chairman, first of all, thank the hon. members for the glowing things that they've said about our Alberta researchers and the innovators because we are truly very proud of the research and the innovation that is created in this province by our government. We're also very proud and we're very pleased about the important role that research and innovation is going to play in Alberta's future, and I think some of the members have even mentioned that. I couldn't agree more with their praise. That's why we're introducing Bill 27. It's to pave the way for the kind of research and innovation that we need to grow a more knowledge-based economy and that culture of innovation the hon. member talked about.

Mr. Chairman, I think it's very big of the members across the way to celebrate our government's decision in the late '70s to establish the Alberta Heritage Foundation for Medical Research and all of the world-class work that has been achieved by its researchers. It's a stellar organization that has brought international recognition and excellent people to the province, and we're going to build on that stellar history to set the stage for even better things to come.

I've heard many good things all around the world about AHFMR, the Alberta Heritage Foundation for Medical Research, as well as

our other research and innovation organizations. I'm in awe, Mr. Chairman, of the talent that we already have here in Alberta. I can't overstate the personal sense of pride that I get when I speak about Alberta's outstanding talent around the world to the various places that I'm blessed to go.

There is Alberta Ingenuity, supported by another endowment fund, a fund which is going to realize and focus its tremendous potential through this bill. There are the amazing contributions through the current Alberta Research Council, with over 600 people committed to excellence in their fields. They're world class.

I might note that they forgot the Alberta Research Council, and they forgot some of the other funding agencies in the past amendment. There are world-class iCORE chairs, whose work will continue to turn heads around the world. There are leading-edge institutes for agricultural research, for energy research, for forestry research, which the hon. Member for Edmonton-Gold Bar celebrated so articulately during the debate on Bill 27. They're all staffed by great innovators. Bill 27 is going to help them become more effective.

Of course, a few members of the Assembly also expressed some concerns and questions, and I appreciate having the opportunity now to provide clarification and further details. As I mentioned during second reading, this bill is an important step in this very timely work to develop and implement a framework that defines roles and mandates for the provincially funded organizations that support world-class research and innovation in our province.

Mr. Chairman, I hope that a certain member from across the way will be paying attention to the next points that I make because she said during the earlier debate that she has yet to hear a clear explanation of why Bill 27 is a good idea. I hope she is listening carefully.

Mr. Chairman, if Alberta is serious about our place in the global economy, then we need to strengthen our support for Alberta's researchers and entrepreneurs. This is about strengthening the support for those researchers and entrepreneurs. It will better enable them to realize their potential as creators of world-class discoveries and products. The world economy is changing, and we would be remiss if we didn't take action to situate ourselves strategically in that economy. It's a new, knowledge-based economy, and the leaders in that economy will be the ones who are smarter, more aligned, and more focused. We want Alberta to be a place where researchers and scientists can achieve beyond their wildest dreams.

But Bill 27 is also for all Albertans. By enabling our government to align and focus Alberta's research system, we'll be able to realize greater societal and economic benefits for Albertans and others beyond our borders.

Mr. Chairman, I always enjoy a good debate, and I enjoyed many of the diverse questions that have been raised. I must also say that I was somewhat disappointed and actually quite surprised at how some of the debate was focused on rumour and innuendo and an uninformed resistance to change. I didn't really know where to start. We heard everything from false rumours about AHFMR's fall competition to an undisguised effort to confuse the overall vision with individual funding decisions. I note, for example, that AHFMR has confirmed that their fall competition will be taking place despite attempts in this House to make people think otherwise. It's like the game of telephone, that is very popular in grade school. One person whispers to the next one until the real message is garbled. This is really a disservice to the existing researchers and innovators in the province, and it sends an entirely wrong impression to those people who are looking to start their careers in Alberta.

This is clearly a time when we are renewing our commitment to research and innovation, providing greater support than ever before,

not less. You need only look at any one of our announcements over the past couple of years to see how deeply committed we are to moving forward on the next generation economy here in Alberta. That takes foresight. Bill 27 will enable our people and our organizations to better connect with their stakeholders and with each other as well as with other parts of the innovation continuum both here in the province and around the world, Mr. Chairman. It's all about better communication, improved alignment, and clearer direction.

Mr. Chairman, I hope we can put aside some of the rumours. I want people to have the facts. As I said, I appreciate the opportunity. I heard comments from the hon. Member for Edmonton-Gold Bar during second reading that government would have less control over the corporations being created as well as their funding, and I heard from the hon. members for Edmonton-Riverview and Edmonton-Centre that government is going to have too much control. Which is it? Perhaps the members, since they're all part of the same party, can compare some notes next time and let me know.

Let's just set that aside for a moment, Mr. Chairman, and look at some of the specific questions that were raised. I'd like to start with the hon. Member for Edmonton-Gold Bar's concern about the ability of board-governed entities to manage money given the Auditor General's recent report specifically regarding postsecondary educational institutions. Our board members take their responsibility for managing public funds very, very seriously. They are proactive, and they take action when issues arise. I can assure you that the boards of the new research and innovation entities will operate with a high level of financial accountability. We will ensure that the right people, the right systems, and the right processes are in place so that the corporations provide the level of financial oversight that Albertans expect.

Mr. Chairman, the Member for Edmonton-Gold Bar brought up Bow Valley and the Auditor General going in and finding something about that. I might point out that it was the Bow Valley auditors that found the error and called the Auditor General. I just wanted to clarify that.

I'd like now to turn, Mr. Chairman, to the comments shared during second reading by the hon. Member for Edmonton-Riverview. We heard some fairy tales in the House that day. If the hon. Member for Edmonton-Riverview finds vision and leadership to be politically and culturally frightening, then I think he lives in a very, very scary and sad world. It would seem that if the hon. member were to be telling some of the old classics, Snow White would turn into an ogre, and Bambi would be a fire-breathing dragon.

8:10

It seems he's chosen to willfully select isolated phrases from our roles and mandates framework document to suit a single-minded opposition to the bill. It's unfortunate that he chose to pull a very specific passage regarding the Premier's long-term vision for an aligned research and innovation system out of context for the purposes of creating anxiety in the research community. If he had read the very next paragraph, Mr. Chairman, the very next paragraph, he would have told the Assembly that the document says:

Greater transparency and accountability for the processes used by all provincially funded organizations. Governance structures should have the financial capacity to make long-term commitments as many research and innovation activities have multi-year dimensions.

The reason, I think, that he didn't go on to read that sentence is because it doesn't support the conspiracy theory of a centralized government, and it recognizes the long-term nature of research and innovation efforts in a way that we haven't been able to address before. In fact, it does disprove that conspiracy theory that seems to

be bubbling up there. It also speaks to support for the basic research that he says is absent in the document.

So does this sentence, which appears just a few lines later, regarding building and supporting a strong research and innovation base. It says that "basic and applied research is seen as a cornerstone" – a cornerstone, Mr. Chairman – "of any research and innovation system." I think it's important that we repeated that. Not only have there been some single sentences very selectively pulled out of context from the roles and mandates framework document, but it seems that there has been a blind eye to our clearly stated and dearly held tradition of peer review and excellence when it comes to basic research. That will not change.

If he had looked at the website that we have, if he had explored the documents on it, he would have seen the importance we place on the role of basic research and the importance we place on the role of emerging technologies. We fully recognize that the next Alberta frontier, like our frontier in nanotechnology, for example, will come out of that kind of innovation, and we don't want to miss it.

The bottom line is that we'll be able to afford a much stronger basic research system. We'll have a much stronger infrastructure for it. We'll have even stronger universities and applied research institutions so that we can build both basic and targeted research, and then we'll be able to build that tax base that the hon. Member for Edmonton-Gold Bar is talking about, to build that jurisdictional advantage and turn the eyes of the world toward Alberta.

The hon. Member for Edmonton-Riverview also seems to have missed this sentence, which is on the very page he said he was quoting from.

Over the last two years, stakeholders have told the Government of Alberta that the Province needs to better align and co-ordinate its provincially funded research and innovation resources to become more competitive and to better achieve desired outcomes.

Stakeholders – stakeholders, Mr. Chairman – have told us, and stakeholders have asked us to take leadership. We're doing what the stakeholders told us and are asking us to do. Yes, they want government leadership. They want government to have a vision that targets overall funding directions, not individual funding decisions, like the member liberally implies. Stakeholders agree that boards would make decisions, exercise judgment, and ensure excellence, all within a more collaboratively and integrated environment.

That's one of the many passages which the hon. Member for Edmonton-Riverview chose not to quote that demonstrates the stakeholder support for Bill 27. Instead, if you look at *Hansard*, he would have me put forward a strategic recommendation that chaos be a creative approach to build a research and innovation system in Alberta. In the full day of workshop discussions we had with over 90 of Alberta's key researchers and innovation stakeholders and in all of the subsequent discussions that we've had with stakeholders one on one, not one of them, not one, recommended that we employ chaos as a strategy to develop research and innovation in the province.

I would note that as the MLA representing one of our largest research campuses, as the hon. Member for Edmonton-Gold Bar pointed out, the hon. Member for Edmonton-Riverview, from my understanding, hasn't even asked the president of the University of Alberta what she thought of Bill 27 before he spoke about it. I can tell you what she thinks. She knows and has told her staff that the province remains strongly committed to the principles of excellence and rigorous peer review that have characterized research in all areas. The Alberta government and the university have invested heavily in research and infrastructure and will not contemplate compromising Alberta's successes in these areas. [The Alberta] government further underscored that basic research is our foundation, and it is one of the reasons that Alberta is a destination for top researchers.

Mr. Chairman, we understand the full value of the whole research system. I also note that the hon. member fails to acknowledge that research enterprise extends far beyond the faculties of medicine and even the postsecondary institutions.

Before I move on, Mr. Chairman, to address the question raised by another hon. member and reviewing the *Hansard* from that day, I found it interesting, too – and this is just of personal interest – that when the member was casting a vote for names of potential future Premiers, it didn't occur to him that his own leader should or could perhaps be Premier one day.

Mr. Chairman, I'd like to turn now to the question that the hon. Member for Edmonton-Centre asked during second reading of Bill 27. I found startling the hon. member's question regarding who would come up with such a wacky idea to change the system. I'll tell you who: the more than 90 stakeholders intimately involved in the system, from postsecondary institutions to industry to the chairs of our existing research and innovation organizations. I'll tell you who else: the CEOs of the current organizations – of AHFMR, of the Alberta ingenuity fund, of the Alberta Research Council, of iCORE – who jointly signed a letter on March 18, 2009, available publicly on our website, which states: "Such a system is integral to a diversified and robust knowledge-based economy – the Next Generation Economy – that will position our province advantageously on the global stage."

These individuals, Mr. Chairman, are forward looking. They don't want to go backward. They want to do what's best for Alberta. They understand that aligning and supporting Alberta's research and innovation is even more important now in light of the global economic situation. This is about staying committed to building long-term prosperity for Alberta, a sustainable future where we are fully participating in the global knowledge-based economy. It's unfortunate that the member doesn't value the input of some of the top minds in the province.

Mr. Chairman, I'll tell you who else told us that the system needs to change: the outstanding and eminently qualified individuals on our international panels, which I mentioned earlier, people like Dr. Joseph Martin, former dean of the Faculty of Medicine at Harvard Medical School, who chaired the international review of AHFMR; Dr. Jacquelyn Thayer Scott, professor of organizational management at Cape Breton University, who chaired the international review of ASRA; Dr. Alan Bernstein, executive director of the Global HIV Vaccine Enterprise, who chaired the international review of Alberta Ingenuity in 2008. Sir John Bell from London, who is in charge of revamping the entire British medical system, said to me personally: this is music to my ears. Those are the wacky people which I refer to as the stakeholders who helped us with this.

The comments from the hon. Member for Edmonton-Centre would indicate, somewhat like the Member for Edmonton-Riverview, that perhaps they haven't gone through those international panel reports. I give them credit that there's a lot of work, there's a lot of reading that has to come into a lot of the stuff that they have to do. But I would encourage them: don't listen to me; listen to the individuals that I've just read into *Hansard*. Phone the people who are the CEOs of these institutions who have the touch. Did we go to every researcher in the province and ask them to design the new system? No because that's not their job, Mr. Chairman. Their job is to do their research. Our job is to make that research turn into something valuable here in this province. That's what this framework is all about. That's what Bill 27 is all about.

Mr. Chairman, the international reports have been available on my department's website for months. I would encourage them to take the time to read them. I'd also refer the hon. members to the debate that took place in this very House on November 9, 1979. I think it's

very important that the hon. Member for Edmonton-Centre look at that debate because it was she who referred to former Premier Lougheed and the creation of the Alberta Heritage Foundation for Medical Research, so I think it's important she be aware of former Premier Lougheed's own words when it comes to the original intent of AHFMR. He said:

I've made it absolutely clear to the university presidents and to the deans of medical schools in discussions with them – and the records would say, on a number of occasions – that this foundation and the government's priority decision, and hopefully the legislative priority decision, in medical research is not to be used as a lever in terms of university funding. I think that should be clear and on the record. It's a decision we have made.

Those were Premier Lougheed's exact words, and they are guiding us in our ongoing consultation with the universities to ensure a sustainable long-term approach to research and innovation.

While we're on the subject of health research, Mr. Chairman, I really do need to address head-on the hon. member's concerns about the future of health research in Alberta. I think it's important to find out that the health corporation will continue to lead health research activities in the province with the continued financing from the endowment fund. For the new health corporation there will be clearly defined provincial health research priorities to support its mandate, something that Albertans have not had before but that the stakeholders have asked for.

8:20

What's new is the affirmation that investments in health research are a key driver of the new knowledge-based economy. We want this health institute to work with many key stakeholders to capture as much value as possible at every stage of the health research continuum. In fact, it's the model for all of the institutes to work with key stakeholders in an aligned and strengthened research fashion in an innovation system that takes the entire value chain of innovation from the bench top or the garage, Mr. Chairman, right through to the societal benefit or the marketplace or the benefit of the taxpayer.

In terms of the comments made by the hon. member during debate on Bill 27 that it will increase levels of government control or centralization, I'd like to present the facts. Mr. Chairman, the intent is to establish boards for these institutes comprised of individuals with the knowledge and the experience to deliver on the mandate and roles of those corps. We want to strengthen the relationships between the Ministry of AET and our new institutes. Among the organizations themselves we want some work between themselves in order to move in a more collaborative fashion towards common outcomes. The boards are going to have the ability to manage and make investment decisions based on their approved strategic business plans. The institutes will continue to seek external advice as may be required, and they will develop and deliver programs that will support many people working in our research and innovation system.

It's worth repeating, Mr. Chairman, because it's such an important foundation of our system, that Alberta's research decisions will continue to be based on peer-reviewed standards of excellence. We have so many very talented individuals employed within our current system who will continue to work within the new organizations and across the entire research and innovation system towards clearly defined objectives. The difference is that the government will also show greater leadership in bringing these institutes together to discuss and deliver on collaborative research initiatives. We need to continue to work together towards a strong future for Alberta. It's a global environment that we're working within, so we have to harness the collective strengths of our province.

There's a final point in the second reading that I'd like to address regarding the boards of the new corporations and specifically regarding their ability to make tough decisions. I have to say, Mr. Chairman, that I completely agree that the boards will need to be able to make some tough decisions. That's why they will have boards appointed by the Lieutenant Governor in Council.

I'm sure, Mr. Chairman, I may have an opportunity to finish that thought.

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

Dr. Taft: Thanks, Mr. Chairman. Well, I listened carefully to the minister's comments. He made some good points, some unnecessarily personal attacks, and walked very close to points of order, but I chose not to challenge him on that. I'll go through a handful of points.

First of all, he spoke of rumours on AHFMR's fall competition. I don't know if the minister is aware, but it's just today that AHFMR put out notice that they were actually going to proceed with a fall competition on funding. It's late. There was reason for those rumours. There are reasons for fear. For the minister to somehow suggest that this was all made up without any grounds, in fact, is, I think, unfortunate for him to conclude. The truth of the matter is that it was only today that notice was given out on that.

As for greater transparency and the statements in government documents about greater transparency, that's just, in our view, standard boilerplate, and we don't take it seriously. I don't think the public does either. We'll begin to take the government's commitment to transparency more seriously when they're actually transparent, when they meet things like the standards of full, plain, and true disclosure required of publicly traded corporations to their shareholders. This government falls shockingly short of anything like that, and there's no shortage of examples. We can't even get the cost of building schools from the Minister of Infrastructure. If they're under P3s, it's some kind of state secret. We can't get the cost of road construction under P3s. What kind of disclosure is that? What kind of transparency is that? It's very disappointing.

Of course, I won't even go into the frustrations in obtaining information on royalties. Where do we have to go? Where do the citizens of Alberta have to go? They have to go to corporate filings to find out that oil sands companies are paying 48 cents a barrel in royalties. So don't talk to us about transparency. There's a reason your government lacks credibility on that.

The stakeholders: I just return to our point. Sure, the minister probably had many lengthy conversations with the president of the university and of the Alberta Research Council and so on. I can tell you again that last week I e-mailed and spoke to multiple deans, multiple researchers, other very senior officials. The level of knowledge on Bill 27 was shallow, and the people I spoke to did not feel consulted with one or two exceptions. So the stakeholder consultation has been only, as far as I can tell, at the very highest level.

I will tell the minister this. He'll be pleased to know that in my e-mails to probably two dozen different researchers I ended up attaching links to the government's website and links to the bill and links to the background framework paper so that the researchers whose careers depend on this can read and be informed because so far they have not been.

There is a concern – and I speak personally about this – about the politicization of the research sector of Alberta. I speak personally because I've gone through that experience. I've also witnessed too often that politically unpopular topics, when they're researched and published, are subject to efforts to squelch them, and I think there's

a serious concern there that needs to be reflected. We do not want this bill to lead to a suffocating blanket of conformity which will have exactly the opposite effect of stimulating innovation. So I will take issue with the government on that.

I will, however, look to the minister here for the possibility of support on my next amendment. I do have another amendment.

The Deputy Chair: We'll pause for a moment and have the pages distribute it.

Dr. Taft: Thank you.

The Deputy Chair: Hon. members, this is amendment A2. Please proceed.

Dr. Taft: Thank you, Mr. Chairman. The amendment reads as follows: Dr. Taft to move that Bill 27, Alberta Research and Innovation Act, be amended in section 2 by adding "and supporting a balanced long-term program of research and innovation directed to the discovery of new knowledge and the application of that knowledge to improve the quality of life of Albertans" after the word "industries." This addresses the idea that the minister spoke to, that I spoke to earlier, which is basic research, the importance of exploring subjects just to see what happens, the importance of undertaking research that may or may not have commercial benefit or may or may not lead to some conclusion.

One of the concerns that I have with this bill is that starting right from the beginning, Mr. Chairman, the purpose is not what I think this bill deserves. The purpose reads right now as follows:

The purpose of this Act is to promote and provide for the strategic and effective use of funding and other resources to meet the research and innovation priorities of the Government, including fostering the development and growth of new and existing industries.

Period. That's the purpose. There's nothing in this bill that speaks to the importance of pursuing information for its own sake and understanding. You know, taking an example I used earlier tonight, when Albert Einstein sitting in a patent office as a young man in Vienna or Salzburg in the very early years of the 1900s was doodling away on physics, there was no realization that 30 or 40 years later his work would transform the world. It was just exploring for the sake of exploring. We want that spirit in this province.

8:30

This amendment would recognize and champion that spirit in the purpose of this bill by talking about a balanced, long-term program of research and innovation directed to the discovery of new knowledge. It broadens things out. It understands that this isn't just about serving the commercial interests. As important as those are, it's about something much bigger than that, Mr. Chairman.

Thank you.

The Deputy Chair: The hon. Minister of Advanced Education and Technology.

Mr. Horner: Thank you, Mr. Chairman. Again, I'd like to thank the hon. member for the effort that he's putting into the debate here tonight in the amendments that he's bringing forward. I would like to point out that in my comments what we talked about was strengthening the framework for basic research. That basic research really is the domain of the postsecondaries. It really is the domain of the deans. It really is the domain of the graduate students of those researchers that are going to be pursuing those questions to solutions that we want. But it's also the solutions to questions that they have curiosity about.

I think what the hon. member is really talking about is this idea of curiosity and that curiosity can lead to some very interesting things, and I agree with the hon. member. I also agree that the framework and the way we've developed the framework and the structure, again, of Bill 27 – and I'm glad he agrees with this – allows us to support a balanced, long-term program of research, and it allows us to support innovation directed to the discovery of new knowledge, and it allows us to support the application of that knowledge to improve the quality of life, I would suggest, hon. member, of not just Albertans but of the globe because we do want to sell this.

With that, Mr. Chairman, I would suggest to all hon. members that I have absolutely no problem accepting this amendment from the hon. member, and I would support it.

The Deputy Chair: Any other members wish to speak? The hon. Member for Edmonton-Riverview.

Dr. Taft: I'm left speechless, so I would call the question before anybody changes their mind.

Thank you.

[Motion on amendment A2 carried]

The Deputy Chair: Back to the bill as amended.

Mr. Horner: Well, I thought, Mr. Chairman, that in the interests of continuing this and perhaps bringing closure, I would want to just continue on the independence of the boards to make decisions within the bill because I didn't get an opportunity to actually clarify that. I think the hon. member deserves that. He's talking a lot about centralization, which is not in the bill because it isn't about the centralization of decision-making. What we're talking about is alignment. We're talking about getting focus from science researchers to give us advice. That's not the government making the decision. That's researchers from within Alberta and from without similar to – and the hon. member is probably familiar with this – the old ASRA, the original ASRA. That's where we're headed with the authority.

In terms of the comments, Mr. Chairman, the boards of these corporations will be individuals of knowledge and experience to deliver the mandate. So if it's within the biosphere, they'll be experts in bioindustries or with their health researchers. The boards will have the ability to manage and make investment decisions. They're going to have true strategic business plans. That's the accountability part that the hon. Member for Edmonton-Gold Bar asked for. The institutes will continue to seek external advice as may be required to manage those activities. The Alberta research decisions, as I said before, will be peer-reviewed standards of excellence.

There's a final point that I'd like to address from second reading, and it's regarding their ability to make tough decisions. We really do want them to make tough decisions, Mr. Chairman, and that's why the corporations will have boards appointed by the Lieutenant Governor in Council. There's a current process already for the Alberta Heritage Foundation for Medical Research and for Alberta Ingenuity, two organizations being transformed through this bill. The research institutes being transformed by the legislation currently have their boards appointed by government through ministerial orders. ARC, or the Alberta Research Council, and iCORE are owned by the government of Alberta, and their boards are approved by their shareholder, the Crown.

In these respects board appointment by government is continued. What has changed is that with the introduction of Bill 32, the Alberta

Public Agencies Governance Act, all agencies, boards, and commissions, including these four as well as the Alberta Research and Innovation Authority, the one the member was talking about, will have defined roles and mandates documents completed as per Bill 32, and it is between the minister and the organization to clearly outline the roles and responsibilities. Mr. Chairman, I think that gets to the hub of what the hon. member has been talking about. We're not going to make the decisions. We're just setting the parameters and the framework that they can work that decision through.

If the hon. members have reviewed Bill 32 – and I'm sure they have – they would note that there are other requirements around board orientation and training, all critical elements to support strong governance of the research and innovation system. There is currently and will continue to be accountability in these systems for these publicly funded corporations through mechanisms such as reviews by the Auditor General and by the development and release of annual reports, again a current practice which we will continue. The new structure simply enhances the accountability through good governance practices, and that's an important objective when we're dealing with funds that have been provided to us through the taxpayers.

Mr. Chairman, these changes will give us a system that's focused on priorities, that will be responsive to society, to the economy, to students, to graduate students, to researchers. For a province of our size breaking into this global industry, we need to do it right. We can't be all things to all people. The framework does result in changes and new relationships among the players, and yes, there's always angst when that's going to happen. But ultimately I believe, as do all of the stakeholders who built this framework – I didn't write it – that the framework will allow us to be more successful using research and innovation to do what needs to be done to address the social needs, to add value to our resources, to diversify our knowledge-based economy, to be a serious global player.

It truly is an exciting time to be part of Alberta's research and innovation system, Mr. Chairman. Through the renewed system we're going to be able to become an even more attractive place for researchers, scientists, entrepreneurs, and innovators of all kinds. I have taken this structure to places like the Silicon Valley. I've taken this structure to places like Oxford, to places like Ireland, to places like Mexico. I've showed them what we're doing, and they are in awe of how we've been able to align our system. The only way we can do that is because of our size, because of the fact that we can do it, and because we are pulling as one. Is that centralized control? No. That's a good team effort.

Thank you.

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

Dr. Taft: Thanks, Mr. Chairman. I appreciate the spirit behind the minister's comments. As I said, we're not standing here trying to sabotage Bill 27. We're not going to do anything to block its passage. We understand that streamlining and consolidating can be a good thing. We're just offering some sober second thoughts on the process. Just to repeat a message I've said many, many times – and I know the minister would agree with me here – getting this right is one of the most important things this government can do to ensure the medium and long-term success of this province, so that's why we're taking some time on it.

I would now like to move with the minister to section 9 of Bill 27 because there are some real concerns around this section, and I'm hoping to hear some real reassurance and explanation from the minister. Section 9, for those of you who haven't seen the bill, is titled Records and Accounts. Under this bill the minister has the

right to get access to very extensive and detailed information. I have to wonder why it's necessary. Just for the purposes of this debate I'm going to read two or three portions of section 9 out loud here.

8:40

Section 9(2) reads:

The Minister may request from a research and innovation corporation any information, including personal information, the Minister considers necessary, and the corporation shall disclose the information in the form and manner determined by the Minister.

It's very clear here that the corporation shall disclose.

Then it goes on under 9(3):

A research and innovation corporation shall allow the Minister or the Minister's representative to inspect and make copies of all records, accounts, reports and other documents of the corporation and, in the case of an electronic document, print the electronic document, and otherwise review the operations of the corporation.

Then under section 9(4)(d) – I read it initially thinking there was some reassurance – it basically gives the minister, as I'm reading this, the capacity to seek this information “for any other purpose authorized by regulation.”

I want to draw attention to one other point here. Maybe there's a good explanation here. Maybe I'm misreading this. But I am concerned. Under the definitions of the act the term “personal information” is defined as meaning “personal information as defined in the Freedom of Information and Protection of Privacy Act.” Now, that definition – I'm not sure that I have it with me here – is remarkably inclusive. It includes all kinds of personal information, medical information, opinions, biometrics, virtually anything you'd ever want to know about anybody. So I'm asking the minister why. Why would we give the minister that level of detail?

Here is the concern I have. Let's say that we have a researcher conducting research into AIDS and HIV patients or, goodness knows, any number of medical conditions. The way I'm reading this bill, the minister if he so chooses – and I'm presuming that that would be a rare occurrence. Nonetheless, if he chose – and, you know, it could be this minister, it could be any minister in the future – he could request very, very detailed information collected under research. Maybe I'm misreading this. I don't know if the minister can help me now or if we need to defer here. I do have an amendment. But before putting everybody through the process of the amendment, maybe the minister can explain.

Mr. Horner: Well, Mr. Chairman, the Freedom of Information and Protection of Privacy Act as well as some federal regulations as well as some other legislation that has been passed by this House protects individuals from the type of thing that the member was talking about. Yes, this gives the minister some fairly intensive powers in terms of being able to review what's going on in those institutes, but we fund and will be the major funder of these institutes. We need to have some way of ensuring accountability both on the financial side and on the strategic business plans that they'll be presenting to us.

I think it's important that when you set out a framework like this – and I'm not saying that we're going to do this on a regular basis, and the hon. member knows that. But I don't think you pass legislation that precludes you from doing the things that you're going to potentially need to do down the road, and that's essentially what this section is all about.

Dr. Taft: Well, I was so thrilled with the minister's response to the last amendment, but he won't be surprised that I am less thrilled. I really want MLAs to listen to this because this is how personal information will be defined under Bill 27. This is how it's defined. People, please think about this.

“personal information” means recorded information about an identifiable individual, including

- (i) the individual's name, home or business address or home or business telephone number,
- (ii) the individual's race, national or ethnic origin, colour or religious or political beliefs or associations,
- (iii) the individual's age, sex, marital status or family status,
- (iv) an identifying number, symbol or other particular assigned to the individual,
- (v) the individual's fingerprints, other biometric information, blood type, genetic information or inheritable characteristics,
- (vi) information about the individual's health and health care history, including information about a physical or mental disability,
- (vii) information about the individual's educational, financial, employment or criminal history, including criminal records where a pardon has been given,
- (viii) anyone else's opinions about the individual, and
- (ix) the individual's personal views or opinions, except if they are about someone else.

It's a remarkable scope, an unnerving one. I'm not just doing this for political grandstanding. It's unnerving for me to think that information collected under research, covering everything from genetic makeup to political beliefs to criminal records, is subject to this kind of request.

It says here – and I'm quoting from the bill – that the Minister may request from a research and innovation corporation any information, including personal information . . . and the corporation shall disclose the information.

Mr. Chairman, I have an amendment, and it is specific to this particular issue. Thank you.

The Deputy Chair: Thank you. We'll pause for a moment while the pages distribute this. This amendment will be A3.

Okay. Proceed, hon. member.

Dr. Taft: Thank you, Mr. Chairman. This amendment would proceed as follows: that Bill 27, the Alberta Research and Innovation Act, be amended in section 9(2) by striking out “including” and substituting “excluding.” What the section currently reads is, “The Minister may request from a research and innovation corporation any information, including personal information.” This would amend that to say, “The Minister may request . . . any information, excluding personal information.” So it's pretty straightforward. I don't know that I need to belabour the point.

For the life of me, unless we're somehow misunderstanding the legislative drafting here, I'm concerned not only about the principle of intrusion into personal information but about the fact that this could create all kinds of problems when we get into ethics reviews. For example, any research done involving personal information is going to have to go through an ethics review committee, which is pretty strict, and if this is hanging over the decisions of an ethics review committee, I just don't know how it's going to work out. I think there's a concern that we may be creating inadvertently a whole bunch of angst and problems and even driving good researchers to other jurisdictions by having such an open door for the minister to request personal information.

I won't belabour it. Thanks.

8:50

Mr. Horner: Mr. Chairman, the hon. member just mentioned researchers and various other folks as if he's talking about a

researcher in the University of Alberta. This wouldn't apply to them. This is about the institutions that we are creating, and if the hon. member thinks about it, there is going to be some very significant information and probably in some cases some very significant security. When you talk about biometrics, we may use the fingerprint as a security code to get into a locked lab. When you talk about some of the information that we're going to have to hold as it pertains to the institute's duties, there's going to be some interesting information that we're going to have that could be commercial down the road.

I'll also point the hon. member to section 9(5), which basically says that we're going to hold it as confidential. However, I want it to be clear that this does not apply to the entire research and innovation system. This applies to the institutes, which the hon. member is telling me he wants to be transparent, where we want to be able to find things and be able to go in there and do things.

The reality, Mr. Chairman, is that I cannot – I cannot – in good conscience support this amendment, and I truly do regret that, hon. member, because, you know, we were doing so well.

Dr. Taft: Okay. Well, I appreciate that this is applying to the research corporations, but that's going to include, well, AHFMR or son of AHFMR, research organizations doing medical research.

Mr. Horner: They don't do the research. They hire it out.

Dr. Taft: Okay. So this is where I'm looking for clarity from the minister. The way this reads right now, "the Minister may request from a research and innovation corporation any information, including personal information." Let's imagine we have a research and innovation corporation researching hepatitis. There has been some brilliant research done in Alberta on hepatitis. Well, okay. I think the minister is narrowing things unnecessarily. There will be human research done under some of these innovation and research corporations. [interjection] None? Zero? Zip? Okay. So elaborate. Please elaborate.

Mr. Horner: Mr. Chairman, perhaps this will clear up some of the misconception the hon. member has. The institutions are the ones that will be creating the strategic plan to decide where in our framework we're going to go to answer the question. They're going to be the person that's going to take the funding that we provide or that a government department provides or that an outside entity provides and take the question and then go find those researchers in that other framework and say: lookit, this is the answer we need. We are not building research institutions that will have labs and researchers in them. We already have that. If the hon. member thinks about AHFMR as an example, AHFMR provides a chair at the University of Alberta. That chair isn't working for AHFMR. He's underneath the umbrella of the University of Alberta. This would not apply to him. That's what I'm getting at.

The Deputy Chair: The hon. member.

Dr. Taft: Thank you. That's what I was looking for here. The way this is worded, however, it gives remarkable scope and depth to the powers of the minister.

Mr. Horner: Now it's forever in *Hansard*.

Dr. Taft: Yes. So now we've got the minister's comments forever in *Hansard*. I don't know if those carry the legal status of legislation, though: "May request from a research and innovation corpora-

tion any information." If the research and innovation corporation is granting out money to whoever the researcher is and that researcher is conducting research, my concern – and I hope the minister can understand this, and I'm sure this minister wouldn't do it – is that should a minister at some point in the future demand information, the research and innovation corporation would then need to pursue it from the researchers. Okay. The minister is going to explain.

Mr. Horner: In that situation, Mr. Chairman, that person would have every right to go to the Freedom of Information and Protection of Privacy Act and the Privacy Commissioner and lodge his complaint that it doesn't pertain to anything else that's happening. It would be dealt with in that manner as it is today in any other situation.

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

Mr. Mason: Well, thanks very much, Mr. Chairman. I'd like to just briefly get in on the dialogue here about the amendment to Bill 27 that's put forward by the hon. Member for Edmonton-Riverview. I share his concern that the clause here, 9(2), is far too broadly written. The government has been bedeviled during the session with what I would consider to be sloppy drafting of bills. It's gotten them in trouble on Bill 19. It's gotten them in trouble on Bill 44. Sections giving government powers are drafted far too broadly and without due care for concerns that legitimately might arise. I think this is another one.

For example, because this power on the part of the minister is not constrained in any meaningful way in this section, it could allow the minister to demand personal information of a researcher whose research the government found awkward or embarrassing. There are questions whether or not . . . [interjection] Well, there are no constraints on it, hon. minister, and that's a problem. If there are, I'd sure like to hear what they are, and I will sit down so that you can do that.

Mr. Horner: I would point to, again, "The Minister may request from a research and innovation corporation," not from the University of Alberta, not from, you know, the Alberta research corporation, not from any of those entities that the hon. member is thinking about.

Secondly, if he scrolls down the page to section (5):

If the information disclosed under subsection (2) or contained in records, accounts, reports and other documents of the research and innovation corporation inspected, copied or printed under subsection (3) relates to labour relations, is a trade secret or is of a commercial, financial, scientific or technical nature, the information is to be treated as having been provided in confidence.

That's right in the legislation. That's an offence as well.

Mr. Chairman, we're looking for bogeymen where bogeymen don't exist. I really believe that this amendment is not necessary.

Mr. Mason: Mr. Chairman, we're not looking for bogeymen. We're looking for things in the drafting of the legislation that may give rise to unexpected problems or in the hands of a different minister somewhere down the line might give rise to abuse.

I'm sorry; I'm not completely satisfied by what the minister has to say. I know that these are with respect to the corporations, but what information does the corporation have within its possession? That is really the question the minister hasn't addressed. It may possess a great deal of information with respect to the nature of the research that's being conducted, who's conducting it, in fact even

who's being researched. You know, I'm not satisfied by the minister's response.

Dr. Taft: Well, I need to point out to the minister, because I read the whole section a few times, that 9(5) does not include personal information if I'm reading it correctly. It says: "If the information disclosed . . . relates to labour relations, is a trade secret or is of a commercial, financial, scientific or technical." It doesn't cover personal.

Now, personal information may have other protections, but the principle I'd like to proceed on, especially when it comes to collecting people's personal information and disclosing it, is to use the minimal powers necessary, to be minimally invasive. Losing personal information always seems to be a one-way process. Once it's gone, it's never recovered. Once we give up that personal privacy, it seems to be lost forever.

I don't think we're going to advance this discussion too far. I have this sinking feeling that the minister is not going to go for this amendment. I want it on the record, though, that I'm not convinced at this point by the minister's arguments. Let's call the question.

[Motion on amendment A3 lost]

The Deputy Chair: On the bill as amended, the hon. Member for Edmonton-Riverview.

9:00

Dr. Taft: Thank you, Mr. Chairman. I appreciate the vigorous debate, the exchange of ideas. I do feel some progress was made. I learned something. I appreciate the minister's gesture of accepting one of the amendments. I wish him well because this is a really important bill.

I would leave one last request to the minister from me, which is that when it comes to developing the regulations, please consult widely and deeply. I would ask you, please, not to just go to the presidential and vice-presidential levels, but make sure that the people actually conducting the research, the senior research, the people who actually are going to be doing the innovation and who are actually getting the millions of dollars in research grants – please consult those people because they haven't been consulted extensively in developing this act. When it comes to the regulations, if it's going to work, they have to be listened to.

Thank you.

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

Mr. Hehr: On the bill.

The Deputy Chair: On the bill as amended.

Mr. Hehr: Thank you very, very much, Mr. Chair. It's been a long while. I almost lost my train of thought, but it's a good thing that sometimes I write down the odd note here. If you'll indulge me a little bit here, it's regarding a little bit of the minister's comments that he has letters from this university president, that university president, this person here, that person here. I'm reminded, too, by the comments just made by the Member for Edmonton-Riverview. Really, it's sort of a story, and I think it will bring some clarity to it if you just, like I said, allow me some leeway.

There's a scene in *The Godfather* where Michael is sitting there with his girlfriend, and there's Luca Brasi. It's a very famous scene. It will be on the bill; you'll see how it relates here. Luca Brasi is there speaking, and Kay says, "Who is that very scary man, Mi-

chael?" "You're right. That is a very scary man." They go to another thing, but they come back to this. Michael explains to his girlfriend: "There was a big band leader, and my cousin Johnny Fontane played with this big band leader. Long and short of it, he was in a contract with this big band leader. My father and Luca Brasi went to that big band leader, and they tried to get my cousin Johnny out of the thing." Long story short, they said: "Either you let cousin Johnny out of this contract or your brains will be on the contract. Either/or." Anyways, the gentleman signed the contract, allowing Johnny Fontane out of the said contract. He was free to go. He didn't want his brains on the contract.

Sometimes, Mr. Minister, you have an extraordinary amount of power. When you go get these letters, asking the presidents of universities for letters and for endorsements from various heads of things, they feel like they may be in a situation much like the big band leader's. They have an obligation to sign these letters. I'm not saying they do it as a rule.

Mr. Mason: It's an offer they can't refuse.

Mr. Hehr: It's an offer they can't refuse. Thank you.

I just offer that. That's why you have to go to the secondary levels of research. Thank you very much for allowing me some leeway in that story.

Mr. Horner: Well, I guess I'm a little taken aback. I'm Irish-Scottish, and I'm now a godfather. I don't know what to say about that.

An Hon. Member: Forget about it.

Mr. Horner: Forget about it.

Mr. Chairman, getting it right, as the hon. Member for Edmonton-Riverview talked about, is extremely important. Getting it right meant that we started this process 18 months ago. Getting it right meant that, yes, we did consult with well over 90 stakeholders at the one that I remember and probably an equivalent amount of folks in the second and third. We stood in front of them at the last forum that we had, and we drew on the map. We said: this is what you wrote; this is what you said you wanted your new framework to look like. You can ask anyone that was there. I was standing at a podium, and I said: I don't need to do this; you guys are telling us to do this; you're the stakeholders. The research community is saying to us: we want you to do this because this will make it better for us.

So when we wrote Bill 27, what we said was: we're going to change the system and the framework to what you have asked us to change it to. Bill 27 is a reflection of what those folks told us to do. I'm sorry, hon. member; I don't have the power that you may think I have and am perhaps not as persuasive as you think I might be. However, what I'm doing is a response to what those stakeholders told us to do by way of this legislation.

The other point that I will make to the hon. Member for Edmonton-Riverview – and, again, I appreciate the debate, too, and I appreciate his concerns. I'm sure that one day we may see him at one of those institutions. I think that the other thing that we have to take for granted or we have to make an assumption of is that the deans of science or the vice-presidents of science or the presidents of their respective organizations – and by the way, hon. member, I never asked them to write a letter. They wrote them voluntarily. You can ask them that as well. But the deans and all of those folks who came to the consultations were asked to go and talk to their groups. If they didn't do that or if they didn't talk to the specific

people that you talked to in the 7,000 or 8,000 researchers that we have in the province, I don't know what else I could have done in terms of consultation.

It was on the web. It was advertised very clearly. No, it wasn't an open forum because we would have had 8,000 people in a room, and we'd have gotten nothing done. What we said was: "You have a hierarchy of management within your postsecondary institution over research and innovation. Bring us those people who run that system," because they do, "and have them disseminate the information to those other levels, and then give us that feedback." That was done over the course of 18 months.

Mr. Chairman, I agree that this has to be right. But in order for it to be right, it had to be written by the stakeholders, not by us. That's why we're doing it this way.

The Deputy Chair: Are you ready for the question on Bill 27, the Alberta Research and Innovation Act?

Hon. Members: Question.

[The clauses of Bill 27 as amended agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? That's carried.

Bill 45
Electoral Boundaries Commission
Amendment Act, 2009

The Deputy Chair: Any members wish to speak? The hon. Member for Calgary-Buffalo.

Mr. Hehr: Well, thank you very much, Mr. Chair. It, again, is my pleasure to speak on this bill in Committee of the Whole. Really, you know, we looked at it, and we thought about things, and our opinion is still similar to where it was after second reading. We still believe sincerely that the work of this Legislature can be done with its current 83 members, who are a part of this august Assembly.

We do not see that with the advent of technology, with Black-Berrys, with cellular phones, with, I guess, executive assistants in our offices and computers and staff here at the Legislature that we can't all pick up the slack in these economic times and carry the workload of an additional four MLAs. Simply put, I would hazard to guess that it is easier now to be an MLA; maybe not easier, but technology makes it easier for us to access more of our constituents now than it ever has been. This will continue to be so, so there is a strong argument that we can do the job, that there no longer needs to be an additional four members added to this Assembly.

I brought this up last time, that an additional four members in this House will cost us on a four-year term roughly \$10 million. That is not an extraordinary expense to the taxpayer; nonetheless, it's an expense that we don't need to saddle them with going forward. It's something that's going to be on the books and not just for one election. It's going to be on the books for a longer period of time. This \$10 million could be added to a savings plan, to policing, to helping our colleges grow and expand, heck, even the research and innovation fund. I'd like to see the money go there more so than I would an additional four MLAs.

9:10

I appreciate some of the concerns brought up by some of the members last time at second reading. They were primarily brought up by rural caucus members, who do have to travel a great deal of distance and do have to do their jobs with some of that constraint on them. That said, like I said earlier, the technology and the ability and the tools we have here at our fingertips as legislators should enable us to do that job better than we ever had and continue to represent the interests of Alberta citizens in the fashion they've become accustomed to.

On that note, I guess we could have brought in an amendment trying to reduce the bill, and I don't believe we have. Maybe we'll bring that in third reading when I remember things in my office, which maybe are still there, but I can't remember that right now, so we'll move on from that standpoint. But needless to say, I see where we are, and where we are is where we're at. Those are my initial comments.

I think we can do the job and continue to do the job for our citizens without adding an additional four MLAs. Thank you very much.

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

Mr. MacDonald: Yes. Thank you very much. It's a pleasure to participate this evening in the discussion, or the debate, on Bill 45. Certainly, when we look at the proposal here to increase the number of electoral divisions by four – or another way of saying that would be to have an additional, after the next election, four representatives, to bring the total to 87 – I look at it this way, Mr. Chairman. I think it is an unnecessary cost at a difficult time. Many of us are now using electronic devices to consult with not only our constituents but with the government, so there has been a significant improvement even since the last commission, as I said in second reading, in electronic communication. Communication is so fast that in reality you can't keep up with it all, so the need to have four additional members, I think, is inappropriate at this time.

In fact, Mr. Chairman, this morning, almost 12 hours ago or a little bit better than 12 hours ago, I attended a committee meeting, the Chief Electoral Officer Search Committee. You were also chairing that, so you've had a very busy day. It came to the attention of the committee members and those present that we were going to reduce the size of the ad that we're going to place for the Chief Electoral Officer as a cost-cutting measure. Hon. members in the government talked about that as a cost-cutting measure, and I would certainly agree with that. If people are interested, they're going to read the ad. They may have to put their glasses on, but they'll be able to read it. Now, that's an example of saving pennies, and dollars will follow. The health minister would have difficulty with that concept, of course, as would other members on the government front bench.

This is about this bill, and I would appreciate it if I would be allowed some leniency here. We're in committee. You understand that.

We have a cost-cutting measure like this over 12 hours ago, and here we're debating a bill that's going to increase the Legislative Assembly budget by hundreds of thousands of dollars, maybe millions of dollars. We don't know. No one in the government is indicating publicly just exactly what the cost would be to the taxpayers of these four additional seats. Mr. Chairman, that is an example of spending and saving. The health minister is the first one that wants to bring this up. In the morning we're going to save a small amount, which all the members across the way were in

agreement with, but here this evening people don't have any problem with increasing significantly the size of the budget if we pass Bill 45 in its present condition. I have a number of issues. That would be the first one.

The second, of course, is that I really don't think it's necessary to speed up this process in any way. I don't understand why we couldn't wait another year and then have a discussion. The five individuals that are going to form this commission – I was present at the last commission. I made a presentation. I heard other individuals make their presentations. Unfortunately, they weren't listened to. It's really unfortunate. I hope that with this commission it will be different.

In fact, it was the government that took the eraser to the electoral map around Edmonton and removed a seat, and the hon. Member for Edmonton-Whitemud would have one of the largest populations in the . . . [interjection] There was a Liberal member on the committee, but they certainly, hon. member, were not in charge of the map. In fact, that person wrote a minority report, which I'm sure the hon. member has read, and that minority report certainly indicated that Edmonton should not have been penalized politically. Again, we took the eraser to the map. It was Edmonton-Norwood that was eliminated or cut up.

Certainly, Edmonton in the next report from this commission, if this bill becomes law, should get Edmonton-Norwood back. Perhaps Edmonton-Whitemud – I'm not saying that the hon. Member for Edmonton-Whitemud is not doing a very good job, but the population in that end of the city has grown in the last eight years to the point where that is a natural place for a seat to be added. We're almost, as they say, halfway to Leduc. We all know the troubles there during the last election with the enumeration. Those would be some of the areas of concern.

When we consider what happened to the city of Edmonton with the last commission, we can only speculate on what's going to happen with the next commission. There are five individuals that are going to be appointed to the commission, three from the government and two from the Official Opposition. Now, it will be interesting to see how all this works out. It will be interesting to see when we change the population by striking out 4,000 individuals and substituting 8,000. Now, Mr. Chairman, I'm looking at the current section 15(2)(c): "There is no town in the proposed electoral division that has a population exceeding 4000 people." Whenever this amendment, if it becomes law, is put up to 8,000 citizens, how many constituents as we know them now would this definition apply to? I certainly would be interested in that information.

9:20

Mr. Chairman, in conclusion, I would just like to say that it is, again, ironic that we started out this morning at a committee meeting saving a few dollars by reducing the size of the ads that are going to be circulating throughout the national press regarding the recruitment of the Chief Electoral Officer, yet here this evening, over 12 hours later, we are discussing a bill that's going to add substantially to the administrative costs of the Legislative Assembly.

With that, Mr. Chairman, I will take my seat. I certainly will be interested, regardless of whether it's this summer or next summer that the commission gets started on the proceedings, and I will certainly make every effort to attend some of the commission's public hearings and make a submission if it's necessary.

Thank you.

The Deputy Chair: The hon. Minister of Justice and Attorney General.

Ms Redford: Thank you, Mr. Speaker. It's my pleasure to rise tonight during Committee of the Whole in support of Bill 45, the Electoral Boundaries Commission Amendment Act. I'm encouraged by the debate on this legislation. It deals with a fundamental system of democracy in this province, and it's essential that Albertans, no matter their location, are represented fairly and equitably in this Assembly, which I think is a point that has been lost in this discussion.

There are certainly some issues that have been raised in this debate, and I'd like to take an opportunity to address some of those tonight. The increase in the number of electoral divisions will mean that the average population in each electoral division will be smaller than what it would be without the addition of four new electoral divisions, Mr. Speaker. It's important that we look to the number of constituents that will be represented by MLAs to ensure that MLAs are able to better interact with their constituents, which in turn leads to more effective representation. I think that in a province like Alberta, where we see a great contrast between very concentrated urban communities and much more dispersed rural communities, it's very important that we acknowledge both pieces of our province and that we don't make assumptions that one approach which will work correctly or well for one part of our province will be equally as responsive to constituents in other parts of the province.

Now, Mr. Speaker, I'd like to take a moment to talk about the concept of representation by population, or rep by pop as it is commonly known. Under the representation-by-population system elected representatives are chosen by more or less numerically equivalent blocks of voters. In 1991 the Carter decision of the Supreme Court of Canada considered the creation of electoral boundaries, took into account the nature of Canada and the wide variety of communities in our country, and reviewed the extent to which variation from strict representation by population is acceptable.

The Supreme Court held that variations in the size of voter populations among electoral divisions do not infringe on the right to vote that is guaranteed by the Charter of Rights and Freedoms. The Supreme Court held that the right to vote means that "each citizen is entitled to be represented in government." Representation means having a voice in the issues under consideration by the government and having the right to bring your concerns and questions to the attention of your elected representative. I think that's key, Mr. Speaker, to how we understand and how Albertans understand the democratic process.

The purpose of the right to vote is not a quality of voting power per se but the right to effective representation. It is impossible to draw boundary lines that guarantee exactly the same number of voters in each division. As the Supreme Court has noted, voters pass away; voters move. Even with the aid of frequent censuses absolute voter parity is impossible. However, the court went on to note that other factors also need to be considered when determining electoral boundaries: geography, community history, community interests, and minority representation. These may need to be taken into account to ensure that the Legislative Assembly as a whole effectively represents our province's broad range of interests and backgrounds. In the end there are numerous considerations that may justify a departure from absolute voter parity in order to achieve more effective representation.

Mr. Speaker, I would now like to provide some clarification on what our act says about the size of electoral divisions. The Electoral Boundaries Commission Act says that the population of a proposed electoral division . . .

Mr. MacDonald: Point of order.

**Point of Order
Parliamentary Titles**

The Deputy Chair: What's the citation?

Mr. MacDonald: The specific citation, Mr. Chairman – and I've been trying to get your attention for some time – would be 23(c).

The Deputy Chair: You're saying 23(b)(i)?

Mr. MacDonald: No; 23(c). The hon. member is obviously reading off prepared notes. We are in committee, and there is repetition here of the term "Mr. Speaker." I believe the correct term is "Mr. Chairman." So if we could stop that, I would be grateful. Thank you.

The Deputy Chair: On the point of order. It's been done on both sides, calling Mr. Speaker, calling Mr. Chair. Taking into consideration what is meant on this, I don't see this as a point of order. We'll carry on.

Ms Redford: Thank you, Mr. Chair. It's wonderful that we're able to really keep this spirit of – what was it? – open dialogue within the Committee of the Whole going on both sides of the House.

Debate Continued

Ms Redford: Now, as I was asked to do previously, Mr. Chair, I would like to provide some clarification on what our act says about the size of electoral divisions. The Electoral Boundaries Commission Act says that the population of a proposed electoral division must not vary from the provincial average by more than 25 per cent. This means that any proposed electoral division can be up to 25 per cent larger or 25 per cent smaller than the average proposed electoral division's size. Allowing this amount of variation means that the commission does not have to make each proposed electoral division exactly the same size. Instead, the commission has the flexibility to consider factors such as community interests, extending municipal boundaries, as I've said earlier, natural geographical features, and the like. It's important for communities to feel that they're well represented by an MLA who is able to understand their community interests.

This act will allow for up to four electoral divisions to have a population that will vary by as much as 50 per cent outside of the average population. The allowance for special electoral divisions recognizes that some parts of our province are particularly remote or may be sparsely populated. The act will require a special electoral division to meet three of five criteria, which we have discussed before and which are set out in the act: the physical size of the area, its distance from the Legislative Assembly building, the size of towns in the area, whether the area contains an Indian reserve or Métis settlement, and whether the area is on the boundaries of the province itself.

Now, everything I've spoken of so far already exists in the act. However, the act would change one small part of these rules. It will relate to the size of towns in a proposed special electoral division. We think that that is an important piece of work that needs to be amended in this act. Looking to the nature of the communities and how they have changed since the last time this act was amended, Bill 45 will increase the maximum size of a town from 4,000 to 8,000 people. Mr. Chair, the reason that this is important for us to address is because since the last time that this legislation was amended and what we talk about in this House all of the time, the nature of this province has changed. The discussions that we have, the legislation

that we pass, not just this legislation but other legislation, reflect the fact that as a province and as a government we are dealing with increasing demands on this province.

9:30

It would be short sighted for us to think that it was possible to continue to represent the people of Alberta and the population of this province, that is continuing to grow, to ensure that we as a government and we as a Legislative Assembly can address the concerns that modern Albertans believe we must address in order for us to be competitive in the world, Mr. Chairman, without amending this legislation. We believe that it is important to amend this legislation to ensure that Albertans can continue to have confidence in the Legislature that represents them, to make sure that their common views, their shared goals for the future will be properly represented through face-to-face dialogue with the people that they vote for.

Therefore, Mr. Chairman, I would urge people to support this legislation.

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

Mr. Mason: Well, thanks very much, Mr. Chairman. I'm happy to make a few comments with respect to this. One of the key bases for this act or any similar act was a decision of the Supreme Court, which the minister has identified in terms of its impact, which is that no electoral division can be either more than 25 per cent larger or less than 25 per cent of the average. Now, that gives a tremendous amount of leeway. That was a decision, in my recollection, against Alberta because at that time the electoral divisions were enormously different; the variation was enormously different.

I remember helping to put together a submission for the city of Edmonton with respect to electoral boundaries when I served on the Edmonton council. At that time Edmonton-Whitemud, for example, was one of the largest constituencies in Alberta, with over 24,000 at that time, and Cardston was an electoral boundary that had about 8,000. So the range was 3 to 1 at that time.

Of course, when we look at these things, we need to look at the politics behind them. That is key. To simply debate this bill in terms of sort of abstract principles, and to not look at how it actually affects results in this Chamber is, I think, a mistake. What occurred up until that decision was that, in fact, heavily Conservative rural areas had small populations in their electoral districts whereas the cities, which were more inclined to vote for opposition candidates, especially in Edmonton and Calgary, contained very large populations. Of course, that favoured this government, who was the same party at that time, Mr. Chairman, as it is today.

Now, the plus or minus 25 per cent rule still gives very, very broad latitude. In my view the principle of equality of population is a very important one. I think that the range should be less, but that will be up to the electoral commission. This act tends to widen the latitude of the electoral commission, to make exceptions and provide for additional special districts where the plus or minus 25 per cent rule doesn't apply. I don't think the case has been made for that yet by the government, and I think they should make the case. In the last electoral commission, I think, of the four special cases only two were really required. So the question, then, is: why do we need to have more special electoral divisions, with more latitude for the commission? I don't think the minister has made the case for that yet.

With respect to increasing the number of electoral divisions overall, adding four seats to this Legislature is an interesting question. I know that some members have expressed the concern

that we don't need more politicians, that there's additional expense, and that the existing size is perfectly adequate given additional tools – for example, electronic means and so on – to communicate with constituents.

On the other hand, let's again look at the practical impact of not increasing the number of seats in this Legislature. There has been rapid growth in the province, but it's been extremely uneven, Mr. Chairman, and much of the growth has taken place in places like the cities of Calgary and Grande Prairie. That means that other places will lose seats if, in fact, we don't add new seats. In the last electoral redistribution Edmonton lost a seat and rural Alberta lost two seats. Those two seats went, then, to Calgary because the growth in Calgary had been faster than in other parts of the province.

Mr. Chairman, I think, based on my preliminary look at the situation, that the same thing will happen again if we don't increase the size of this Legislature. Edmonton will lose a seat. Rural Alberta will lose at least a couple of seats and maybe more. I haven't really had an opportunity to look at it in great detail. The result of not doing this, then, is to mean that there will be a redistribution that will take away a seat from the city of Edmonton. There'll be a redistribution that will take away at least two seats from rural Alberta. Is that really in the interests of those communities?

We fought very hard during the last redistribution to raise the question of loss of representation, particularly in the city that I represent, which is the city of Edmonton. I think it would be a detriment to the people of this city if they were to have to lose a seat because of uneven population growth. It's not that Edmonton hasn't been growing – it has – but Calgary has been growing faster and is a larger city and will benefit.

The question is whether or not you take away seats from Edmonton and rural Alberta or you add seats and give them to Calgary and potentially to Grande Prairie. That's the challenge that the government is grappling with in this legislation. For my own part I want to indicate that I do not support the reduction of representation in either Edmonton or in rural Alberta. I think this is an important question that we all ought to take into account.

Again, I think that when we look at the bill, we need to look at its practical impact, not just the theoretical or abstract concepts behind it. What I would like to see is, of course, an electoral system that gets away from the first past the post system altogether. If you look at the popular vote received by the political parties in the last election, you'll find that it is not represented under the current system. It's not represented in this Legislature. There are far too many Conservative members here in this Legislature compared to the actual votes received by that party. There are fewer Liberals. There are certainly fewer New Democrats than were represented by the actual votes. There are no Greens in this Assembly. There probably should be some Alberta Alliance members as well if seats were accorded according to the actual popular vote. They're not because the first past the post distorts the representation that we have, and the result is that the Legislature is even more lopsided than it was.

There's no question that the Conservative Party in the last election won a majority of votes, so they should have the majority of the seats in this Legislature, but they shouldn't have 75 or 80 per cent of the seats in the Legislature. That, I think, is a real, serious problem with the kind of electoral system that we have. That's not put forward in this legislation, and I think that it's too bad that the government isn't willing to explore that with the voters. I don't think this Legislature should make unilateral decisions with respect to that. There needs to be an important role of consultation with the public.

9:40

Nevertheless, we have before us a bill that will add four seats to the Legislature. That is, I think, the key piece or the most important element of this piece of legislation that we need to address. I think that people who believe that Edmonton should lose a seat, maybe two, that rural Alberta should lose a couple of seats, maybe more, in order to expand the representation from Calgary, you know, need to be really clear about what the result of their position actually is and be prepared to accept the consequences of their position.

Mr. Chairman, for now that will be my comments with respect to this piece of legislation. I look forward to more debate on it.

Thank you.

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

Mr. Taylor: Thank you, Mr. Chair. I would be inclined to go along with my colleague from Edmonton-Highlands-Norwood. I would be inclined to go along with the Justice minister. I would be inclined to support adding four seats to this Legislature except that I can't get away from the fact that an alderman on city council in Calgary represents roughly twice as many constituents as an MLA in the Alberta Legislature, and a member of the federal Parliament of Canada represents roughly – I think we're getting pretty close to four times, certainly three times as many constituents and change as you and I do.

I'm left asking myself: well, how do they do it? How do they manage to represent so many more people than we do and still respect the democratic rights of their constituents, still go to bat for their constituents, still meet on a regular basis, whether it's in the council chamber at Calgary city hall or in the federal Parliament in Ottawa, and debate issues of interest to their constituents and, hopefully, in the case of the federal Parliament the entire country and, hopefully, in the case of city council in Calgary the entire city? Although watching how things have been going at Calgary city council lately, one wonders whether the ward system sometimes gets dramatically in the way of that, but that's a topic for another time.

I use the city of Calgary as an example for a couple of reasons: one, the hon. Member for Edmonton-Highlands-Norwood referenced it a few times in his contribution to the debate, and two, because it is a unicity as opposed to the capital region, which is a collection of 23 different municipalities. It's maybe easier to make the example. You know, we have 14 aldermen in the city of Calgary to represent just over a million people, and there is no serious talk that I'm aware of as city council wrestles with the issue of electoral redistribution about adding any seats on council. [interjection] Is there talk? There is talk of adding one.

If the Calgary city councillors were to represent roughly the same number of people as we do, we'd need to go from 14 not to 15 but to 27 or 28, yet they manage. Now, depending on who you're talking to, some might say they manage better or worse than others, but they manage. The Members of Parliament seem to manage, and we seem to be managing fairly well, thank you.

I'm just looking back through some numbers on the Members' Services Committee section of the Assembly website, looking at MLA remuneration figures and considering our base pay as Members of the Legislative Assembly, our tax-free allowance, and our committee work. Most of us in here, quite apart from whether we have additional responsibilities – cabinet, Leader of the Opposition, whip, deputy whip, House leader, whatever – are making in the ballpark of \$120,000 a year.

I look at the Members' Services orders under 9, which deals with constituency office budgets in the constituency services order. I see that each MLA gets roughly \$26,000 for office operations, roughly

\$72,500 for staffing, and then there are a couple of other figures that involve a little bit of calculation to take care of such things as the expenses of mailing, postage, that sort of thing, some promotional activity, and so on and so forth. Again, just rounded off, it's roughly \$120,000 per constituency office to run our constituency offices.

If we get into one of those situations where we're dealing with an MLA who represents a huge piece of real estate sparsely populated, well, there's a matrix for that that takes those sorts of things into consideration, and that can add up to another \$23,256 to that member's constituency office budget.

Here's the point. We manage, most of us, give or take a little bit, plus or minus 25 per cent or less, to run our constituency offices and, by extension, our constituencies for about the same amount of money that we are paid as individual MLAs. So it would seem to me that if the individual MLA needs a little more support to represent his or her constituents, which might be a reasonable possibility, the addition of some extra budget to the constituency services order to accommodate another full-time assistant or perhaps a part-time assistant – I don't know; I'm just speculating here – would turn out to be undoubtedly a good deal cheaper, a good deal more economical than adding another MLA. You add another MLA, and you're adding another \$120,000. You add another full-time staffer, and it's probably going to come in at \$50,000 or less, in around there.

The other thing I can't get away from is that the Legislature of British Columbia now consists of 87 MLAs, and there has been a bit of push-back about that because the British Columbia Legislature until very recently, until this last election really, consisted of 79 MLAs. The majority of respondents to a survey conducted by Statistics Canada said that 79 MLAs were sufficient. There's been some push-back about going to 87. Up until the election earlier this month in the province of British Columbia, 79 MLAs represented a population of a million more than the population of Alberta, give or take. Now it takes 87 to do that, but that's four more MLAs to represent a million more people, or 250,000 an MLA if you wanted to do the math that way.

Of course, that's not how they do the math any more than that's how we do the math, but the point remains, Mr. Chair, that the province of British Columbia has a million more constituents than the province of Alberta, and they manage with the same number of MLAs that the Justice minister is proposing that we go to here in the province of Alberta. You can speak in glowing and eloquent terms until the cows come home about equitable representation, democratic initiatives, and this, that, and the other thing, but you just can't get away from the fact that compared to other levels of government, other provinces, the people of Alberta are overrepresented by the people in this Legislature.

Mr. Chair, I don't know what your constituents tell you when you bring up the matter, but my constituents tell me that we don't need any more Members of the Legislative Assembly in the province of Alberta, that 83 of us ought to be enough to do the business of the people of this province. I don't think we can justify going to another four.

Now, I acknowledge the Member for Edmonton-Highlands-Norwood's concern about Calgary gaining at the expense of Edmonton and rural Alberta, and I don't think it's just a Calgary versus Edmonton thing that he's bringing up here, anything like that. The member is right: Calgary has been growing faster, and Calgary is the bigger city. But I come back to that reference I made to the unicity and the fact that if you take the 23 member municipalities of the capital region and put them together, the population of the capital region is only a smidge smaller than the population of the unicity of Calgary. We're just over a million; you're just under us. That is really what it comes down to.

9:50

Again, as a possible way to break the ice on this, maybe we can consider the capital region or the most built-up section of the capital region as equivalent to the city of Calgary when redistribution actually comes along, so we think of a million people or thereabouts in the capital region being represented by essentially the same number of MLAs as would represent the city of Calgary.

I must admit, Mr. Chair, that I would hardly consider myself an expert on the drawing or redrawing of electoral boundaries at this point, but I haven't come across anything yet that says that every constituency in the city of Calgary or in the city of Edmonton must fall only within the limits of that municipality, that you couldn't spill over like you do, you know, in Grande Prairie-Wapiti, Grande Prairie-Smoky, or the Minister of Advanced Education and Technology's constituency, the name of which escapes me right now. It's St. Albert and Spruce Grove and the islands – I don't know – something like that.

An Hon. Member: Sturgeon.

Mr. Taylor: Sturgeon. Thank you.

We can use some creativity and some innovation here, I think, and dedication. I refer back to – I think that the Justice minister was actually quoting or at least referring to a decision made by the Supreme Court in 1991 under reference re provincial electoral boundaries Saskatchewan when she talked about deviations from absolute voter parity. The Supreme Court did say:

Relative parity of voting power is a prime condition of effective representation. Deviations from absolute voter parity, however, may be justified on the grounds of practical impossibility or the provision of more effective representation. Factors like geography, community history . . .

I won't repeat what she said because what she said is very close, word for word, to what the court says.

But after things like "to ensure that our legislative assemblies effectively represent the diversity of our social mosaic," the Supreme Court also added in there: "Beyond this, dilution of one citizen's vote as compared with another's should not be countenanced." So the Supreme Court of Canada has certainly recognized that there needs to be some wiggle room. I'm not sure what the justices of the Supreme Court of Canada would say about the amount of wiggle room that allows a plus or minus 25 per cent error 79 times out of 83 and that on the other four you can be totally out of whack with that.

I'm thinking, Mr. Chairman, that if we choose wisely in terms of the five members of the boundaries commission once this legislation is passed and put those five individuals to work, they should be able to be creative and innovative and within the context of 83 Members of the Legislative Assembly, not 87, redistribute the boundaries in such a way that Calgary gets effective representation, that Edmonton gets effective representation, and that the rest of Alberta, the rural areas of Alberta, get effective representation as well. [interjection] There was some kind of heckle from the Member for Edmonton-Whitemud. I'll take it that he's just overly tired because he's got one of the biggest constituencies by population in the province, and he's probably run off his feet, if he's not planning his golf tournament, that is, which must be coming up soon, isn't it?

Mr. Hancock: On September 17.

Mr. Taylor: September 17. I'll mark it in my calendar, and I'll see you on the 19th hole.

Mr. Chairman, I think I've made my point. I will take my seat and allow others to continue the debate now.

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

Mr. Hehr: Well, thank you, Mr. Chair. Due to a stroke of luck or the hon. Member for Edmonton-Riverview I do now have that amendment that I would like to put before the House. If possible, I'd like to do that now, please.

The Deputy Chair: Hon. members, we'll pause for a moment while the amendment is distributed.

Hon. members, this amendment will be marked A1. Please proceed.

Mr. Hehr: Well, thank you, Mr. Chair. This amendment is pretty straightforward. It allows us to amend the act by striking out section 4. This will return us to having 83 members in this House and send this new committee to draw the new Alberta electoral map, challenging that committee to do their work by redrawing the electoral map here in Alberta with 83 seats. We bring this bill forward at this time given that we are in a deficit situation, given that it will add \$10 million in spending over every four-year cycle, possibly more to the legislative work we do here in the Assembly.

We have made the arguments before that we are all pretty well paid in this Assembly. We are asking Albertans to do more; we should be asking ourselves to do more. This is simply a chance for this government to not only talk about small government but to actually put it into action. As an opposition it constantly gets said: where can we cut? Well, here it is, lo and behold, an opportunity where the opposition can put forth an amendment where we can cut. We can cut a significant ongoing expenditure to the budget right now by doing this. I would like the people who believe in small government – and hopefully that's all members of this House – who believe that small government works and that small government is better and more efficient government, you know, to do that here today. Let's roll up our sleeves here and do the work ourselves.

I leave it at that, and I encourage others to support the amendment as well as hear from others who would like to speak on this amendment.

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

Dr. Taft: Yes. Thanks, Mr. Chairman. I want to speak in favour of this amendment. Frankly, if it were up to me, I'd reduce the size of this Assembly. I don't think we even need 83. [interjections] Yeah, I'm getting lots of suggestions with nine members.

There has been some good discussion tonight about, you know, the cost savings of this in terms of direct expenditures. There have been comparisons to how city councillors represent their wards and how Members of Parliament represent their ridings and so on. I just want to add one other point. I actually believe that particularly when the size of this Assembly is combined with the first past the post voting system, where we end up in Alberta with one party with so many members, in fact some government activities are created as make-work projects just to keep the backbenches busy and that that actually leads government into problems.

You know, I think that we create committees that may not be needed. We name MLAs to tasks where the MLA is not an expert. We conduct things as a government and Assembly which I think would be better off left alone. I think that, frankly, having 83 seats in Alberta is plenty, and I don't see any need to add four.

10:00

Quite genuinely, Mr. Chairman, I just don't see that this is needed. I mean, my concern, if you think this through, is that if Alberta

continues to grow, then in another eight years we'll be adding four more, and pretty soon we're not going to have room for them. There has got to be a way to do things smarter rather than bigger. I just think this is misguided and unjustifiable, so I will be supporting the amendment.

Thanks.

The Deputy Chair: Any other members wish to speak? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you very much, Mr. Chairman. Certainly, I would like to speak in favour of this amendment. As I said earlier, I don't think that we need an additional four seats at this time. British Columbia certainly increased the size of their Assembly, but not only did they look at things recently; they also had, of course, the citizens' forum on electoral reform and what should and what should not be done. They sought direction from the citizens. This government here in this province certainly is not seeking the direction of the citizens. That will come later, of course, through the commission. But, specifically, why do we need an additional four seats? I think we can reach a balance.

Calgary and Edmonton are a reflection of the urbanization of this province. Rural Alberta is no different than the rest of rural Canada. We see small towns getting smaller. We see farms growing larger. It's quite an issue. Young people are leaving the smaller centres and migrating to the cities. That being said, we look at the growth not only in Calgary and Edmonton but Grande Prairie, Fort McMurray, Lloydminster, Red Deer, Medicine Hat, a little bit in Lethbridge as well. Where the growth is is where the seats should be. We talked about communications earlier, the electronic age and the ease of communication.

I think this is a very good amendment. I know we've seen the size of cabinet expand dramatically. It's almost the complete half of the second row there, Mr. Chairman. The government seems to survive with a variety of cabinet sizes, whether it's 16, sometimes it bloats up to 24 or 25, and then it may go down. For instance, over the constituency week the size of the cabinet was reduced by one. It was a 4.4 per cent reduction, I believe. So the cabinet was reduced in size. The Department of International and Intergovernmental Relations was consolidated into Executive Council, I believe.

So there can be a reduction in the size of government, the size of cabinet, even if it's part-time or it's an event that is going to be short-lived and someone else will be appointed in June. Who's to say? But that's an example of a reduction in the size of cabinet. The government is still functioning as far as I know. For how long we don't know. The former Member for Calgary-Glenmore certainly did his job as best he could. We wish him well in his future career.

That being said, Mr. Chairman, that is just one example of how life goes on after a government front bench is reduced in size. We're not asking for a reduction. I'm with the hon. Member for Edmonton-Riverview. I think we could do with less seats in this Assembly, but to remain at 83 is sensible.

I thank the hon. member for bringing this amendment forward, and I urge all members to give it consideration and vote to keep the Assembly with 83 seats in it after the commission reports. Thank you.

The Deputy Chair: Any other members wish to speak to the amendment?

Hon. Members: Question.

[Motion on amendment A1 lost]

The Deputy Chair: We'll go back to the bill. No other members wish to speak?

Hon. Members: Question.

[The clauses of Bill 45 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? That is carried.

Bill 24
Animal Health Amendment Act, 2009

The Deputy Chair: Are there any comments or questions or amendments to be offered with respect to this bill?

Hon. Members: Question.

[The clauses of Bill 24 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? That's carried.

Bill 28
Energy Statutes Amendment Act, 2009

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

Dr. Taft: Thanks, Mr. Chairman. Bill 28 is a complicated piece of legislation. It touches on a number of things. It touches on a couple of things that could be particularly large. On the one hand this seems like sort of a housekeeping bill, but on the other hand it's not, and it shouldn't be understood that way. The two areas from this bill that are of biggest note are the provision it gives to the government to start the bitumen royalty in kind program, and it also addresses the orphan well issue.

I want to speak first to the bitumen royalty in kind program. In theory, the bitumen royalty in kind plan seems to us to be something worth seriously considering. What it allows the government to do is to take a flow of bitumen that might be worth, in today's dollars, \$30 a barrel maybe, and instead of taking \$30, it takes a barrel of bitumen, and then it upgrades that bitumen, and it gets \$60. It's a way of increasing the value of the royalty being received by the provincial government, at least in theory. That certainly is worth exploring. There are people who are opposed to this just on principle, but we think the economics of this are worth exploring.

10:10

It's not without some concerns. The Minister of Energy has not been very forthcoming at all about how the bitumen royalty in kind program may work, so we don't know how those concerns are being considered. I'm going to mention one of them right now, which

began to become particularly apparent two or three weeks ago, when we saw how the drop in the price of oil created a collapse in the flow of bitumen royalties to the provincial government because the royalty system is now so price sensitive. Frankly, I think being price sensitive up to a point is a good idea. We understand that oil companies, energy companies can't bear the same level of royalty when the prices are really depressed as they can when the prices are really high. But the price sensitivity is now to a point where if we were taking a royalty in the form of bitumen, it would barely be a trickle because the royalty levels are so low.

Where that seems to me to cause complications is that if we sign a deal with an upgrader, potentially a merchant upgrader, to upgrade that bitumen, we need to be able as a government, I would think, to guarantee a flow of bitumen, let's say a hundred thousand barrels a day. When prices are good and the bitumen royalty is flowing in generously, that's no problem, but when prices collapse, I'm curious to know how the bitumen royalty in kind program can be structured to guarantee a minimum flow to a merchant upgrader.

Now, there's lots of speculation these days that North West Upgrading, you know, may come back to life as a merchant upgrader and that the bitumen royalty in kind program will facilitate that because the provincial government will be able to do a deal with North West, guaranteeing North West a supply of bitumen, therefore guaranteeing North West a much more viable operation. But I'm curious to know how the provincial government will be able to guarantee a supply, if that's their plan, when the flow of royalties is so price sensitive.

That's one of the concerns here, and then that leads to a second concern, which is a concern about trying so hard to make the bitumen royalty in kind program work by stimulating an upgrader that the government goes beyond good sense and runs the risk, frankly, of participating in a kind of white elephant upgrader. You know, that may not happen, but it's certainly the kind of thing that this government has got into in the past, and it's not hard to imagine it happening yet again. I think that it's important that a merchant upgrader stand on its own economically, and I can see the bitumen royalty in kind program having a role to play there, but I am concerned that a government desperate to get an upgrader going again may do a deal that, in fact, in the long term hurts the citizens of Alberta.

I just wanted those comments to be on the record, Mr. Chairman, because it seems that engaging the minister in debate otherwise on this issue has actually proven to be quite difficult.

The other issue this bill addresses is expanding the orphan well program. There's a contentious issue there about how orphan wells should be handled. Many people in Alberta feel that we've had a good track record in handling orphan wells. Some people feel that we haven't. Many people feel that it's not a cost that should be borne by the taxpayer, yet that is a possibility that is brought forward through this legislation. The question is: why should the taxpayer be on the hook for cleaning up a well that made private shareholders potentially millions of dollars and that they then walked away from? Luckily, we're in a province where most oil companies don't do that, but it's a risk.

I actually think that someday we should get a little more aggressive on what I might call orphan gas stations, Mr. Chairman. I'm really tired of driving around Alberta and seeing abandoned gas station sites sit there for sometimes decades. I think that we should be looking at ways to make industry more responsible for cleaning up abandoned gas stations. Some of them are on very, very prime urban real estate. Probably the single most dramatic example of that is the old Imperial Oil station on Whyte Avenue, which was shut down probably 10 years ago or more, a prime piece of real estate

that has been completely disabled and has just sat there while it's being vented and so on for years and years and years. I'd like to see a little more aggressiveness from this government in holding those companies to account. But if I go much farther there, I'll be wandering off the topic.

I think that, in the end, Mr. Chairman, the benefits of this bill are notable, that it at least opens the possibility of a successful bitumen royalty in kind program. The devil will be in the details there. You know, our caucus has chosen to support this piece of legislation.

I'll leave it with those comments. Thank you.

The Deputy Chair: Do any other members wish to speak? The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Chairman. I'd like to make a few comments with respect to Bill 28, the Energy Statutes Amendment Act, 2009. Now, in many respects this tidies things up. There's a mishmash of different acts and so on that cover our energy sector in this province. This makes a few changes, but basically in many respects it's a housekeeping bill.

I think there are some very important points dealing with orphan wells and the fund to pay for those and allowing the ERCB to impose a levy on oil field waste management facilities and so on. It provides for the Lieutenant Governor in Council to approve various decisions of the ERCB, including designating the proprietor of a pipeline to be a common carrier, declaring a company to be a common purchaser of oil or gas produced from a pool, declaring a company to be a common processor of gas from a pool, and other aspects of pooling. It requires an order in council for an amendment to consolidation of an approval permit. One thing where it doesn't give the authority to the Lieutenant Governor in Council but instead to the minister, which is a problem, in our view: members of the Alberta Petroleum Marketing Commission would be appointed directly by the minister rather than by the Lieutenant Governor in Council.

Now, I want to deal with the question of bitumen, which has been the subject of a number of questions that we've asked in this House during this session and is something which is a very serious issue as far as we're concerned. We need to cast ourselves back to the days leading up to the election of the current Premier as leader of the Conservative Party and some of the promises that he made at that stage to eliminate or at least reduce the amount of unprocessed bitumen that was being exported to the United States for upgrading there.

Of course, what we've seen is that this has increased steadily under the current Premier's administration. In fact, absolutely nothing has been done by this government to stop, to constrain, or to restrain the increase in unprocessed bitumen out of this province and the jobs and the investment that go with it, to the point where we've seen just the other day where the Industrial Heartland Association, representing municipal officials in the Industrial Heartland area, has added their voice to those who have been saying along with us that the export of unprocessed bitumen is costing Alberta investment and costing us jobs. They're very concerned about it.

There are only two projects ongoing in the Industrial Heartland but a multitude of projects in the United States, which will be fed by the Keystone and Alberta Clipper pipelines. Not only that, Mr. Chairman, but various energy companies are planning a number of additional pipelines that will connect the entire American energy market to Alberta bitumen and will be capable of carrying the full production that we're likely to achieve out of the oil sands and, therefore, I think, cripple the long-term value-added basis of the economy in this province.

10:20

Now, when the Keystone and the Alberta Clipper projects were before the National Energy Board for approval, we urged the provincial government to intervene and speak against them, but they did not. They reserved a status before the board, but they did not avail themselves of the opportunity to talk about that. I know that the government is absolutely opposed to and terrified of anything that smacks of a national energy program, but it would be possible with a little vision, in my view, for the government to develop a made-in-Alberta energy program that benefited our province and the country. They don't have to abdicate anything to the federal government in that respect. They can take leadership here.

We have talked about how this could be done, Mr. Chairman. We produced a bill, which didn't make it through the Order Paper, in 2007. It was at that time, in the Third Session of the 26th Legislature, Bill 225, the Mines and Minerals (Alberta Value Added) Amendment Act, 2007, by my former colleague Mr. Ray Martin.

Alberta exports more than a million barrels of bitumen every day. Nearly half of that now is exported and upgraded outside of Canada. This is despite the Premier's commitment. Enbridge's Alberta Clipper pipeline will export another 450,000 barrels per day, to be upgraded in Superior, Wisconsin. TransCanada's Keystone pipeline will export another 590,000 barrels per day, to be upgraded in Illinois and Texas. This is, in fact, where the construction and the jobs are today, Mr. Chairman, as a result of this government's failure to stand up for the interests of the province.

In a presentation to the National Energy Board on the Keystone pipeline Infometrica CEO and economist Mike McCracken estimated that the Keystone pipeline alone will cost Alberta 18,000 jobs and \$2 billion in economic output. That's shocking. That's not coming from some raving socialist or wild-eyed environmentalist, Mr. Chairman, but is in fact a very real thing.

An Hon. Member: Fearmongering.

Mr. Mason: I heard someone on the other side say "fearmongering," which is the government's standard response now to any criticism that might be put forward by reasonable people to their policies. But it's not fearmongering; it's a fact.

Our proposal, which I think should've been incorporated in this bill, was a concrete step to ensure that bitumen is upgraded in Alberta. It is entirely within the government's authority to do so simply by requiring it as part of the leases. The government can negotiate or renegotiate existing leases or, if necessary, legislate. They should do that, Mr. Chairman. Our bill showed exactly how that could be done.

It's not that the government doesn't have the authority to do this. It's not that it has not been a concern. It's a concern for the Industrial Heartland Association, it's a concern for people who work in the industry, it's certainly a concern for people who work in construction, and it should be the concern of this government because in the long term they are ensuring that our economy does not live up to its full potential. That's how fundamental and critical this question is.

One has to ask why they would put the interests of the companies who are wanting to export our un-upgraded, non value-added natural resources belonging to the people of Alberta ahead of the interests of the people of this province. It's a really curious question. But, Mr. Chairman, these resources do belong to the people of Alberta, and they are nonrenewable. People who look on the other side, who talk about the oil sands as almost an inexhaustible resource, remind me of people 20 or 30 years ago who talked about the oceans as an inexhaustible resource. In fact, they are not inexhaustible. They are

very finite, and as you dig down, the economic cost of producing the material rises. There's low-hanging fruit, and then it gets a little higher, and it gets a little higher. I think it's important that the government really put in an Alberta-first energy policy.

We need a made-in-Alberta energy policy that starts with keeping the bitumen here. Simply taking some of the royalties as bitumen in lieu of money so that you've got some left over is a weak and inadequate response to this problem. The government needs to exercise its legitimate legislative authority and its administrative authority to protect the long-term interests of Alberta and its economy. It is failing to do so, and the idea that you can take a little bit of your royalties in kind and you're going to have some bitumen that will be left in the province to be upgraded is pathetically weak and not the response that this province needs, that future generations, the next generation of our province require.

So although there is a lot in this bill that is simply administrative and a lot of it is positive – we have no objection to many of the changes that are being made in this sort of omnibus grab bag of a bill – its absolute failure to deal with the question of bitumen and the future economic development of this province is a glaring failure and one which should give all members of this House pause. Why aren't provisions included in this bill that would protect the future development of our province and would ensure that the jobs and the investments stay here? It's not there, Mr. Chairman. The bill is not worthy of support, and I will not support it.

Thank you.

The Deputy Chair: Any other members wish to speak? The hon. Member for Calgary-Buffalo.

Mr. Hehr: Well, thank you, Mr. Chair. It is a pleasure for me to speak. I just would like to make my points relatively quickly as two other members have spoken quite at length and probably much more eloquently than I will on this bill. Nevertheless, I believe that allowing the government to start taking bitumen in kind is probably a step in the right direction. It's something that this government can then use to hopefully build an upgrader system or a processing system, where we're not sending this bitumen downstream. Our friends in the United States, although very nice people, shouldn't be getting the economic value of this one-time resource withdrawal system that we have here in Alberta.

If you look at, like, 30 or 40 years ago, we thought that the old-fashioned way – well, not old-fashioned, but the traditional oil and gas fields were full. We had lots of oil and gas revenues coming in from people out there, junior oil companies going out there, putting a spit into the ground, and finding lots of oil. That, too, has happened with our natural gas and still does happen with our natural gas.

But we know all too well that that is a sunset industry. Yes, there are opportunities for people to go back into old holes, and there are opportunities for some individuals to actually find some new, but all things being considered, that is a sunset industry. What we're looking at now with this, the advent of the oil sands, is that this is Alberta's new future, and part of that future should be developing some provisions that allow for the maximum economic value of this resource to be produced here in Alberta.

10:30

The best way to do that is by either legislating that more bitumen be upgraded here, finding some way to either incent the private marketplace to do it here, or finding some mechanism to get these bitumen processing plants developed here, where we can get the jobs, we can get the profit, and we can move ahead and start adding the value to our universities, our health care system, all of that good

stuff which oil and gas has done. I think we should be doing it in this case. I think it is a failure of this government that we're not further along this process than we are now, that we continue to see development of these upgrading systems down in the United States, and we'll continue to see that unless we put our feet down and say: "Stop. We're not going to do this. We're not going to continue to be hewers of wood and drawers of water. We're going to have these resources be developed for ourselves, for the people of Alberta, to add to our prosperity."

On that note, I think, you know, this is a decent start, so I guess I am supportive of it. But I do recognize what the leader of the third party has said, that this bill is a failure in the fact that it doesn't recognize that this government should have people working round the clock, 24 hours a day, saying: how are we going to develop more of this bitumen here in this province? Really, if you can't find the answer, I don't think you're looking hard enough or you don't have the right people hired. There's got to be a solution to this, it should be done sooner rather than later, and let's get on with it.

Thank you very much for my opportunity to speak to Bill 28.

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

Mr. MacDonald: Yes. Thank you very much, Mr. Chairman. It's a pleasure to rise and speak on Bill 28, the Energy Statutes Amendment Act, 2009. A lot has been said by previous speakers, but I certainly have one question at this time that hopefully I can have answered by the government members.

In December – I believe it was the 10th to be precise, Mr. Chairman – of last year there was a regulation passed that ceded a lot of control at the edge of the lease by this government of bitumen and bitumen production. I'm just curious as to how that regulation will be impacted by this legislation. Certainly, we know that our neighbours to the south are benefiting currently from this government's bitumen policy. Those pipelines, unfortunately, are exporting jobs, value-added jobs, in this province. One only has to look at the price of bitumen. It almost doubles, if not a little bit more, whenever the bitumen is upgraded to synthetic crude oil. Synthetic crude oil in some markets trades at a modest premium.

So there are the economic benefits which have been outlined by previous speakers. Hopefully, the bitumen in kind, the royalty in kind that is gathered or collected will be used to incent the construction of a local upgrader. I don't think there's any value whatsoever, Mr. Chairman, in allowing for the expansion, whether it's in Borger, Texas, or whether it's in Illinois, of facilities that are existing.

There's no benefit to this province. There's benefit to the producers, there's certainly benefit to the Americans, but there's none to us. We've got to get every nickel and every dime we can from this resource. The government has to date failed to do that, but hopefully this section of the bill will once and for all stop the export of jobs from this province to the American lower 48 states. That will stop. We will see upgrading occur here in a sustainable fashion which will be respectful not only of the local economy but also of the local environment.

I think we can do this. I know we had the royalty review, and I know it was said about taking bitumen in kind. I know the details are yet to be worked out. Who will be the agent? Will it be the Alberta Petroleum Marketing Commission? Who will act on their behalf? Those details. How will this bitumen be stored if it's necessary to store it, or will it just be a simple exchange transaction?

We will see what happens with this, but certainly the government stepping up and accepting bitumen royalty in kind I think is a very good idea. It will hopefully be used to incent the development in this province of an upgrader, as I said before, and hopefully someone

from the Department of Energy can put on the public record my concerns regarding the regulation and how it will impact this bill.

Thank you.

The Deputy Chair: Are you ready for the question on Bill 28, the Energy Statutes Amendment Act, 2009?

Hon. Members: Question.

[The clauses of Bill 28 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: That's carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee now rise and report Bill 27, Bill 45, Bill 24, and Bill 28.

[Motion carried]

[Mr. Mitzel in the chair]

Mr. Dallas: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following bills: Bill 45, Bill 24, Bill 28. The committee reports the following bill with some amendments: Bill 27. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

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

[Motion carried; the Assembly adjourned at 10:39 p.m. to Tuesday at 1:30 p.m.]

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