



Province of Alberta

The 28th Legislature  
First Session

# Alberta Hansard

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The Honourable Gene Zwozdesky, Speaker

## Legislative Assembly of Alberta The 28th Legislature

First Session

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## Legislative Assembly of Alberta

7:30 p.m.

Tuesday, December 3, 2013

### Government Bills and Orders Committee of the Whole

[Mr. Rogers in the chair]

**The Chair:** Hon. members, we'll reconvene the Committee of the Whole.

#### Bill 45 Public Sector Services Continuation Act

**The Chair:** We are considering Bill 45, amendment A1.

Member for Edmonton-Beverly-Clareview, you have approximately 11 minutes left. Please proceed.

**Mr. Bilous:** Thank you very much, Mr. Chair. It's my honour to speak to Bill 45, speaking to the amendment. I pointed out some of the concerns, before we broke, for this amendment. I can tell you that one of the biggest challenges that I have with this amendment is that it retains administrative penalties for people who contravene section 4, subsections (1) and (2), which is quite problematic. This is one of the issues the Alberta NDP has with this bill, the extremely punitive nature and language within this bill. Regardless of whether it's the minister or the Labour Relations Board that's responsible for levying the administrative penalties, the real concern is the amount that this bill prescribes. Unions can be charged, again, by our calculations, up to \$2.5 million a day, and individuals can be fined anywhere from \$500 to \$10,000 a day. That's extremely problematic.

Before I get into some of the other issues with why the Alberta NDP vehemently opposes Bill 45, I do just want to make a note that hundreds and hundreds of letters have been pouring into our offices, with Alberta workers extremely upset at the Alberta government on this bill and voicing their opposition.

I think it's really interesting, Mr. Chair, that there was a press release that came out at 5 o'clock today about the B.C. government and a tentative agreement that they reached with public-sector unions. Now, what's interesting is that this agreement, that deals with 51,000 workers, was reached before their current contract expired, and it lasts five years. What it does is that the deal expires March 19 and includes wage increases of about 5.5 per cent over the five-year term, which is quite a stark contrast, how the B.C. government is treating their public-sector workers and the attitude that this government has here in Alberta toward our public-sector unions and workers.

The other thing that's really interesting, Mr. Chair, is that a background document states that there is an economic dividend agreement, where a government worker, for example, earning \$50,000 a year can expect an extra \$250 if the provincial GDP rises by one percentage point above forecasts, which I think is interesting, that there is an additional incentive. Should the province do well, they're going to pass that on to their workers. You know, this Alberta PC government pales in comparison to the current B.C. government. At least they acknowledge and recognize the valuable contributions that their public-sector workers make and, I mean, far above and beyond just providing lip service, which we can see in this House has been only words.

Mr. Chairman, I wanted to outline briefly some of the huge steps forward that have taken place in the history of workers in Canada and in Alberta. They are due largely because of our organ-

ized labour force. Canadians and Albertans enjoy safety regulations, and we have safety regulations because, unfortunately, we have lost many Albertans and Canadians due to unsafe workplace regulations. With our unions at the forefront, pushing for those safety regulations, they have forced governments to bring in safety regulations as well as overtime pay, weekend breaks, paid breaks, an eight-hour workday, and a minimum wage. These are benefits that all Albertans, all Canadians enjoy, but they're due in large part because of organized labour. They are the reason that all Albertans have these benefits. Really, what organized labour has done is to bring the standard up to increase and improve the livelihood of today's families.

This bill is a huge step backwards. I mean, as my colleagues and I have articulated, not only is it unconstitutional, but it is a direct attack not just on unions and labour in this province, Mr. Chair; I would argue that this is a direct assault on working people in this province. Again, as I've articulated in the past, we have never seen nor has any other province seen a bill that is as punitive as this is on those that are speaking out and standing up for unsafe work conditions and unsafe work practices.

You know, the example right before us, Mr. Chair, is the wildcat strike at the remand centre. When we look at the reasons that drove the workers to go on strike, it was because of the inaction of this government to acknowledge that there were real, serious workplace concerns. We're talking about safety issues here. I know the minister loves to get up and talk about how this bill is for the safety of Albertans, yet it somehow completely overlooks the safety of our workers and our workforce, that are significant contributors to the Alberta economy and to our province.

The ability for a union to go on strike is used with great caution, Mr. Chair. It's not that unions want to just strike whenever and all the time. I mean, it's a real drain on them and their resources, but it's a tool that is available to them if other avenues have been exhausted and they've gotten nowhere. As the hon. Member for Edmonton-Strathcona indicated last night – I know that her father, when he was a member in this House, opposed the bill that Premier Lougheed at the time put forward, taking away some of their rights. I know the members from the Wildrose applaud that and call it an exchange, you know, binding arbitration for their right to strike, where, in my view, both of those tools should not have been taken away from labour. Those are meant to be used to improve the life, the livelihood, the work conditions of not just the folks who work on the front lines but of all Albertans.

In summary, Mr. Chair, that's what this bill comes down to. This was not created in the spirit of protecting Albertans or saving dollars. I mean, you know, first of all, it's a myth that this province is short on funds. We're not in a period of tough times. We're actually doing quite well. Our economy is expanding and growing. This government refuses to address the revenue side of the coin, which is something that the Alberta NDP have been advocating for and have been a champion for. Bills 45 and 46 really were designed as an attack on Alberta workers and on our unions and organized labour and our public-sector unions.

So we will continue to oppose this bill, and we will be opposing this amendment. The reason, Mr. Chair, is that this amendment doesn't go far enough. Not only that; there is no reparation for this bill. We are advocating that this bill gets thrown out completely. There is no way to fix something as broken as this. For that reason, I cannot support the amendment that the Wildrose has put forward.

I encourage all members to read this bill and to look at the implications that it has and the merits and the contributions of working people in Alberta and of organized labour and to come to

their senses. This bill is an attack on the very rights of each individual.

Thank you, Mr. Chair.

7:40

**The Chair:** Thank you, hon. member.

I'll recognize the hon. Deputy Government House Leader.

**Mr. Denis:** Thank you very much, Mr. Chair. I appreciate the comments from the Member for Edmonton-Beverly-Clareview, but I have to say that I can agree with precious little, if any, of what he has said. In fact, some of the comments he has made are simply incorrect; "wrong" would be a correct statement. His comments were not only vastly inconsistent with the facts but incorrect, with the judicial ruling on the matter that declared the strike to be illegal. My comments will be in the context of illegal strikes and the danger that they cause for our safety but also for our economy.

I first want to thank our correctional workers for the outstanding work that they do every day, Mr. Chair. They have tough jobs, but they're well trained and equipped to handle their responsibilities, and I think in many cases they're the unsung heroes of our law enforcement framework.

The Member for Edmonton-Beverly-Clareview has stated that we did not address safety concerns brought forward in regard to the new Edmonton Remand Centre, specifically its opening. Well, Mr. Chair, nothing could be further from the truth. We take the safety of our staff very seriously, and this is why there is a process for staff and the union to bring forward these types of concerns. Management at the remand centre has been working to address the concerns raised in the spring, and I remember distinctly the meeting that I had with a couple of union officials down at McDougall Centre in Calgary. I asked if there was anything else that they wanted to discuss. No occupational health and safety issues were raised.

Of course, Mr. Chair, we all remember the infamous evening when the illegal strike did happen. I remember it distinctly because I was out with my girlfriend for dinner, and she asked me to put my BlackBerry away for one time. Of course, as fate would have it, it was that one night when that happened.

Now, since the spring the vast majority of the concerns that the union has raised, Mr. Chair, have been addressed.

The Member for Edmonton-Beverly-Clareview has criticized many things, but he's also criticized the structure of the building. Well, this brand new building uses a supervision model that is based on other provincial facilities and is new to some of the staff. We understand, of course, that with any type of change there are challenges. I have to only presume others' best intentions, but we have received extremely positive feedback from many front-line workers as they adjust to the new model, and we will continue to work with staff to ensure the safety of inmates, correctional peace officers, and, of course, visitors as well.

One of the increased benefits of the new centre's size is that we're able to run more programs in the facility, and one of the best programs, Mr. Chair, is the boot camp program. It is something that both the inmates and the guards have found to be extremely effective, and you can also get more information on it just on my website.

Mr. Chair, we've talked about the idea of illegal strikes this afternoon and last night as well. But my message to you is that this is not a victimless issue at all. We all know that there was \$13 million in costs incurred to the taxpayer as a result of this strike, that was declared illegal by Justice Rooke of the Alberta Court of Queen's Bench. So it's not a victimless issue even from that point,

and we are actually pursuing getting the costs of that strike back from the union through the grievance process. If we do not pursue that – guess what? – that means that the taxpayer will be on the hook for the costs of the illegal strike. That is why we're pursuing that, but I won't get into details on that because that is before a labour relations tribunal.

Mr. Chair, we have to thank again our hard-working staff, that work every day, but at the same time there's a process to bring up some of these particular concerns. My office is always available, and as I've said, these concerns were not raised in previous meetings that we've had.

As we move forward, I'm hoping that we have fewer of these disruptions, and that is why, Mr. Chair, I will be supporting Bill 45 in the interests of our economy and the interests of security.

Thank you.

**The Chair:** I recognize the hon. Member for Calgary-McCall.

**Mr. Kang:** Thank you, Mr. Chair. It's a pleasure to rise and speak against Bill 45 and against the amendment. Are we speaking on the amendment or the bill?

**An Hon. Member:** We're on the amendment.

**Mr. Kang:** The amendment. Okay.

Mr. Chair, we as the Alberta Liberal caucus are not supporting Bill 45. We are vigorously opposing this because this invades the freedom of Albertans and Alberta workers. The government claims that there was a wildcat strike brought on by the prison guards, but there was a reason behind the strike. That strike came out of desperation. Every time they wanted to talk to the authorities about the issues they had, it was a dead end. Sure, it is illegal to strike, but they had reason because they were pushed to the wall, and they had to strike.

That's the rationale behind this bill, Mr. Chair. This is so heavy-handed; it's draconian. When Premier Lougheed took away the right to strike from the unions – that goes to Bill 46 but includes this, too – he still gave them binding arbitration. That shouldn't have happened in the first place, you know, but that's history. The bill sanctions are unnecessarily heavy-handed and will set the rules for workers' collective bargaining rights.

Bill 45, Mr. Chair, is foul, wild, and evil because this government is attempting to legislate away freedom of association, which is granted by the Charter of Rights. The reason people go out on a wildcat strike is because they are desperate. They cannot find any other way to communicate with their employer, the government in this case, to get their point across. So that strike was out of desperation, Mr. Chair. That was about the working conditions, about the safety of the inmates and the safety of the workers. They should have that option, whether legally or illegally. With bills 45 and 46 the government is effectively leaving workers no option to resolve their bargaining issues. They should have that bargaining right if there are safety issues, if there are working condition issues, and if there are health issues.

The ability to go on strike is really the only card that the workers hold as a tool to be able to get fairness and the process if they're not getting fairness. This is all about fairness, Mr. Chair. It's all about workers' rights and freedoms. I know, too, that this bill under the Charter of Rights won't stand up in the courts. It makes me wonder what on earth constitutes the threat of a strike. The government keeps on talking about protecting Albertans. From what? If they would be proactive, I don't think that there would be wildcat strikes. There's always a way to sit down at the table and negotiate everything.

I'm speaking against the amendment, and we will not be supporting this bill. Thank you, Mr. Chair.

**The Chair:** Thank you, hon. member.

Hon. Deputy Government House Leader, did you catch my eye?

**Mr. Denis:** Yes. I would at this point like to move that all divisions be based on one-minute bells for the rest of the evening.

**The Chair:** Thank you.

Hon. members, this would apply in committee only, and it requires unanimous consent.

[Unanimous consent granted]

**The Chair:** The hon. Member for Calgary-Shaw.

**Mr. Wilson:** Thank you, Mr. Chair. I'll be very brief. I would like to just quickly move that as we deal with this amendment, if we could, as per *Beauchesne* 688, go through this amendment and vote on it clause by clause, A through E, please.

**The Chair:** Hon. member, we've been debating this amendment probably for half an hour or so. I think that's something that you should have requested at the beginning. I can't allow that at this point. We've debated this for more than an hour. Had you asked this at the beginning, I would have ruled on it, but we're too late now. Sorry.

**Mr. Wilson:** Standing Order 13(2), just got clarification. Even just for voting on it as opposed to speaking on it clause by clause?

**The Chair:** I'll double-check, hon. member, but that process is typically at the start. That is a request that's usually asked of the chair at the beginning, when an amendment like this is put on the floor. We've been debating this for over an hour. I don't think it would be fair to the process to try to do something different. I would imagine that all members debating it up until this point have been assuming we're going to have one vote. So unless someone can find me a citation that would suggest otherwise, that will be my ruling.

If you'd like to speak to the amendment, hon. member, you're certainly able to do so, but I can't entertain a motion at this time to split it up an hour into the debate.

The hon. Member for Calgary-Mountain View.

7:50

**Dr. Swann:** Thank you very much, Mr. Chair. I'm very pleased to get up and speak in committee.

**The Chair:** Oh, sorry. In the interest of moving between the caucuses, I'm quite pleased to recognize the Member for Edmonton-Strathcona.

**Ms Notley:** Thank you. Sorry about that. It's just that we came rushing in and got our name on the list, and we were wanting to make sure that that process was still the way things were going.

Anyway, thank you. I'm pleased to be able to rise to speak to Bill 45 in committee. Obviously, at this point, given the short timeline, I'm also going to be speaking to the amendment that has been put forward by the members of the Wildrose caucus. Now, my understanding, having quickly scanned their amendment – and I will spend a couple of moments on that – notwithstanding that they were unsuccessful in dividing it up, is that section A of their amendment would remove the component of employees in the prohibition against either striking or threatening to strike. So that's

an interesting approach to how this issue has been addressed in the past. I think it would potentially trigger quite a major rewrite of labour relations law. I'm not opposed to that particular amendment.

The next section, section B, would remove from the prohibition the action of counselling a person to potentially engage in an illegal strike or an illegal strike threat. Once again, since that essentially goes to one of the more heinous, not one of the most heinous but one of the problems with this bill. What it does is that it goes to a component of the issue around free speech because as the bill reads right now, it's of course illegal to counsel someone to engage in a strike threat, and it's illegal for a person to counsel somebody to engage in a strike threat. So that really widens the application of the prohibition in this bill in a way which is uncertain and ensures that the definite outcome is that the freedom of speech enjoyed by most Albertans will be significantly limited. So we can certainly support section B.

Section C of the amendment is an interesting one. I would suggest it's probably not at the heart of this, but nonetheless this is about putting the authority back to the board and taking it away from the minister. One of the other things that we haven't had a chance to spend a lot of time talking about in this bill is the fact that apparently this government doesn't trust the Labour Relations Board, so they would rather not have the Labour Relations Board adjudicate on the vast majority of the components of this bill. What they want to do is remove the authority and the jurisdiction of the Labour Relations Board from adjudicating on many of these matters. That, of course, is another thing that's unprecedented in this rather crappy piece of legislation. As a result, section C of the amendment would result in that authority going back to the board. I believe that, really, that's what D and E essentially do as well, just in different sections of the act. It's all about putting the authority back to the LRB.

Now, you know, those are all interesting improvements. I would say that they don't really get to the full heart of the matter. Whether the board is the one that makes the decision or whether the minister makes the decision, the fact of the matter is that they're making the decision on the basis of some draconian antiworker, anticitizen, anti-Albertan rules. The degree to which this amendment really fixes what is otherwise a really disgusting piece of legislation is sort of up in the air, and that's why I'm not convinced it's going to really deal with the problem.

Let me just talk a little bit about some of the specifics that aren't included in this amendment yet because I think that's important, and I know that in speaking to their amendment, the Wildrose has identified in more detail, I'm sure, the issues that I just reviewed. I want to talk a little bit again about sort of this whole notion of illegal strike. As you may know, Mr. Chairman, many years before I was elected, I worked in the labour movement in a number of different capacities. I also worked with respect to health and safety in the world of trying to protect workers at work and giving them the rights to maintain their own safety at the workplace.

I want to talk a little bit about a situation that I dealt with when I was in B.C., and I'm doing that, in particular, because I want to maintain the confidentiality of the situation that I'm speaking about.

**The Chair:** Are you still talking about the amendment, hon. member?

**Ms Notley:** It's absolutely about the amendment.

**The Chair:** Thank you.

**Ms Notley:** It's really important to talk about what's not in it. I just want to give some context to this.

There was a time when I was working for a union that represented a number of people who worked with youth at risk in a youth setting that was very isolated. It was on Vancouver Island, and it was about an hour's drive or more away from any major community. It was a place where youth were sent who were otherwise at risk and who had a history of violent behaviour in the past. It was typically teenagers.

As things were at that time, when the union that I worked for became involved with this particular institution, it had been a nonprofit run mostly by volunteers. We organized it, and the workers became part of our union. We discovered that one of the things that they had been doing for a long time was that they had been setting it up so that there would be one worker on call or one worker in the facility in the evening with between five and 10 young men who had a history of violence. They would be isolated in terms of an hour's drive away from anywhere else, and they had limited electronic communication. This was many years ago, back in the horse-and-buggy days, you know, pre cellphone and exhaustive cell service.

In fact, what happened was that one of those workers was very, very seriously attacked by a couple of the people that she was tasked with caring for. So the members of that group, the employees of that place, went to their employer and said: "This is unacceptable. We can't have people working here alone anymore. It's too dangerous given the risk factors, given the risk assessments, given the propensity of these particular people we serve to engage in violent behaviour. It is profoundly unsafe for one person to be here by themselves, and this person ending up in the hospital is the exact example of why that is the case."

They tried to negotiate with the employer, but what happened was that the employer was not interested in fixing it: "We can't afford it, we can't deal with it," yada, yada, yada. So eventually what happened was that there was, in fact, for a day, probably 24 hours or something, an organized decision on the part of the employees of that particular centre to not work because they said: "It's not safe. We can't have more of our people going to work and getting sent to the hospital because of this employer's failure to put in proper safety precautions." That was the situation that I was involved with.

Now, let's just say, hypothetically, that that situation was in Alberta and those people were members of the AUPE, which is likely to be the case because AUPE actually represents people who do exactly that kind of work. When those 10 to 15 or so employees spent a day not going in to work in order to support in solidarity their sister who was in the hospital, having been attacked by the people that they served, in an effort to put pressure on their employer to realize that they needed to not continue with the practice of making people work alone and hour away from a place where they can get support, they were, arguably, under the terms of this legislation engaging in illegal strike activity.

So what would have happened to them under this legislation, Mr. Chairman? Well, let's review the legislation. First of all, pursuant to section 6 the union would have all of their dues suspended for three months. So just in case that's not clear to everyone, that would cost the union \$10 million. Then they would also have to pay into the liability fund a million dollars a day. Then they would have to pay a fine of \$250,000 plus \$50 for each one of their members, and using the number of 22,000 or 23,000 members, that would amount to another \$1.5 million dollars a day. I'm getting to it. I'm getting to it, Mr. Chairman.

That amounts to a total of \$2.5 million a day for every day that these women are out of work trying to ensure that they are not forced to go into a workplace where they are put at risk of being attacked, with no support and no protection from anybody else under the control and care of their employer. So for every day that they are doing that plus \$10 million.

**8:00**

Mr. Chairman, this is why this bill is a piece of garbage. Those fines are beyond reasonable. They are beyond the pale. I'd like to say, you know, that yesterday the Deputy Premier got up and said that a judge told us that this is what the fines have to be, and I will tell you that that is not correct. The judge has laid out some ideas for what the fine would be, or there have been discussions. I don't have the specifics, but what I do know is that it does not amount to that amount of money by any means. Moreover, that judge is being appealed.

So let us be very clear, just in case anyone got confused by the misinformation that was provided to this House by the Deputy Premier. These outrageous fines were not, under any circumstances at all, ordered by a judge. Whoever wrote those talking points had better go back and rewrite them because you're misleading the House if they continue to say that.

**Mr. Denis:** Point of order.

**The Chair:** Deputy Government House Leader, you rose on a point of order. A citation?

#### **Point of Order Parliamentary Language**

**Mr. Denis:** I rise under 23(h), (i), and (j) as well as *Beauchesne* 489. The member has indicated the word "mislead," which is on page 146 of *Beauchesne*. I would ask that she withdraw it, please.

**Ms Notley:** Mr. Chair, I withdraw the suggestion that members here were intentionally misleading the House. The information that they might have been relying on was misleading, but I apologize if it was . . .

**The Chair:** So you're withdrawing any allegation, hon. member? I think that suffices.

Please proceed, hon. member.

#### **Debate Continued**

**Ms Notley:** In any event, that should be clarified because that information has not been appropriately provided to the House at this point.

That's the problem with this bill. This kind of fine could easily demolish a union, completely demolish a union. Really, I think that, generally speaking, that's what this is about. It's about union busting. It's about repercussions. It's about showing AUPE that the Premier is boss and that they should never ever make eye contact with her again unless invited to do so. That's what this piece of legislation is actually about. It's not about good public policy, not by any means. It is, instead, about making this province a leader – a leader – in violations of basic human rights and basic rights to stand up and protect ourselves.

As far as the amendment goes, then, that of course is one of my concerns because it really does not deal with the outrageous fines which are included and the outrageous levels of penalties which are included in this bill. In so doing, it appears to potentially



endorse those outrageous fines. So I struggle to support this amendment.

Something that would actively deliver this piece of legislation, that I almost don't really want to touch because it's so toxic, something that would actually deliver it to the LRB I'm not entirely sure I can be onboard with. That's another problem that exists, I suppose, with this bill although it can go either way because there's no question that the board generally understands what it's doing. I don't quite understand why it is that this government feels the need to take these decisions away from the LRB.

Then again, though, it's part of a pattern, isn't it, Mr. Chairman? We've seen that the government wants to take away the ability to arbitrate from the arbitrator as well. We know that the criteria that would be considered in that case by the arbitrator would easily ensure that members of AUPE would receive a much more generous settlement than what this government is proposing either in their last offer or through this heinous legislation. We know that if the rule of law were allowed to simply be followed in this province, the members of AUPE and the employees of AUPE would undoubtedly receive more money than what the government wants to give them.

My colleague from Edmonton-Beverly-Clareview has already noted that the B.C. government has managed to hammer out a five-year pact that would give their employees a 5 per cent increase. Now – I don't know – maybe B.C. is feeling super-optimistic and thinks that their economy is going to grow way more than ours. I doubt it – that would be silly – because that's not what most people are forecasting. In fact, people are forecasting levels of economic growth in Alberta over the duration of the agreement, that this heinous piece of legislation is being used to force down the throats of AUPE, of between 2 and a half and 3 per cent a year.

When this awful piece of legislation is successfully used to force the members of AUPE to accept this retrogressive wage rollback, they will, when it is finished, have lost in real dollars almost 10 per cent of their salary. It's interesting that that's what the new Progressive Conservative Party here wants to do to their hard-working employees while the B.C. government is (a) prepared to negotiate and (b) is prepared to give them a 5 per cent increase.

Now, of course, I understand that the B.C. government has learned its lesson. The B.C. government tried one of these little loopy-loos a few years ago, and in fact they were the ones that generated the very Supreme Court of Canada decision which invariably will render both Bill 45 and Bill 46 out of order and in breach of the Constitution, which, of course, again goes back to this whole issue of the ridiculous hypocrisy of this government wrapping themselves self-righteously in the flag of the rule of law while at the same time introducing legislation that – I believe it was the Member for Calgary-Buffalo who said: any second-year law student could have told them that this piece of legislation is going to be found to be in breach of our Constitution and our Charter.

Anyway, it makes some sense that B.C. would work a little bit harder on reaching a negotiated agreement because they've already been slapped down by the Supreme Court of Canada once. Apparently, these folks think it's a good use of our money as taxpayers to go back to the courts to defend this illegal piece of legislation rather than simply pay to the hard-working employees of this government and, actually, of the taxpayers a wage which is fair to them.

Unlike both the government on this side and the Official Opposition, we don't believe that a wage freeze is the appropriate

answer for members of AUPE. We know that they are amongst the lower paid public-sector workers, and we know that it is important for them to have a wage increase that at the very least keeps up with the cost of living and, quite frankly, probably ought to increase beyond that.

You know what? Equity and moves towards equality are actually good for society as a whole. I'm sure you will not be surprised, Mr. Chairman, that I've raised before the fact that in Alberta, statistically speaking, we have the largest gap between the superrich and everybody else. We have a growing number of studies world-wide that show that that is bad not only for everybody else but actually also for the superrich. Gross inequity is not good for anybody, and the deal that these guys want to shove down the throat of AUPE is going to ensure that that gross inequity actually grows.

I am not in favour of the position of either the Official Opposition or this government that a wage freeze is the appropriate way to go. Our numbers about the projected rate of economic growth, the projected Alberta weekly earnings index, AWEI or something that the policy wonks always refer to, over the course of the next four years is that we're looking at a little over a 10 per cent wage increase, generally speaking, for all employees. By insisting that the public-sector employees in Alberta, particularly the AUPE employees, accept a 0, 0, 1, and 1 or a 0, 0, 1, and 1.5 or something is quite regressive because it means that they're going to lose – lose – a lot of money. I just don't understand it.

The vast majority of their members are women, and of course we've talked before about the fact that the wage gap between men and women in this province is also the largest in the country. That is a problem.

**8:10**

All of that is being facilitated by Bill 45. Bill 45 is basically a great big – I don't know. I'm not really a gun person, but, you know, it's an Uzi. It's a great big Uzi that's sort of being held to the chest of a 10-year-old kid with a slingshot, and it's utterly unnecessary. It's utterly unnecessary. The point is that it's over the top. It's over the top. It's an absolute bullying technique by a government that has been in office for far, far, far too long, that has completely lost touch with the people that it should be representing, and which is now involved in gratuitous retribution – I think this is really about retribution – and gratuitous bullying and potentially some incredibly cynical politicking. It's happening at the expense of some of our most hard-working Alberta citizens, and it's happening also at the expense of some of our most fundamental rights.

**The Chair:** Thank you, hon. member.

Are there other speakers on the amendment? The Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you, Mr. Chair. I'll be very brief. Section B of this amendment talks about striking out “counsel a person to contravene subsection (1) or (2).” I'm just asking for some clarification on whether this could apply to a blogger or someone who writes a letter to the editor or someone who over coffee is saying: look, you should go and strike in these circumstances. Would this legislation actually apply to someone like that, or does the definition of counselling under this act mean that that person has to be paid for services or a lawyer counselling?

Thank you, Mr. Chair.

**Mr. Hancock:** Mr. Chairman, there's been a lot of this sort of talk about talk around the water cooler and those sorts of things. This hon. member was a practising lawyer and ought to know that

there's an offence of counselling an offence, and that's more than just casual conversation. That's not something you just throw around lightly. That is a real and meaningful effort to encourage someone to engage in an illegal act. That's definable at law, it's a concept of law, the courts know what that is, and it's not something that just happens because somebody happens to walk by.

**The Chair:** Other speakers on the amendment? The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Thank you, Mr. Chair. I rise with a great deal of interest on Bill 45 and this amendment, and I thank the Member for Cardston-Taber-Warner, I think, who put this forward. I'm glad to see some interest and engagement with the member. I know that by osmosis and evolution we learn from each other, and I think that the member has thus learned to at least be sharing the same lounge with us. Engaging in Bill 45: that's wonderful.

I think that he also did go to the heart of the problem in Bill 45. Certainly, with the first large section – A, B, C, and D – that he included in this amendment, I think the intention is good because it's taking the authority for some of the most egregious parts of Bill 45 and moving them from the hands of the minister back to the Labour Relations Board.

Certainly, you know, if we're looking for small degrees of movement, that's a good thing. In fact, the terrible powers that Bill 45 unleashes in regard to its ability to fine in an unreasonable way and to penalize in a very unreasonable way should not by any means be in the hands of a minister, certainly not any minister that had anything within five miles to do with drafting Bill 45. I can see his point in that regard.

However, it still delivers some of the very most egregious parts, Mr. Chair, of Bill 45, as it happens, maybe over to the Labour Relations Board, nonetheless not moving them away from workers here in this province. In that way, I have a problem with the amendment. Certainly, the amendment still allows these parts of Bill 45 that have these million-dollar-a-day strike threat liability fines to unions of \$250 to \$1,000 per day, \$10,000-a-day fines for reps, and a \$500 fine for any Albertan or organization supporting a strike threat. I don't know. Do they make \$500 bills? I'd better keep a very large stack of them in my wallet because I certainly will not stop advocating for workers in this province with a ridiculous law like that. Where's the Justice minister? There you go. He's supposed to jump up. I usually have him in a Pavlovian reaction when I say something like that, but he must have gone to the bathroom.

Any employee who causes or consents to a strike, any employee who does anything considered to be a strike threat, unions that engage in a strike threat, a person who counsels anyone to do anything considered as a strike threat, an employer that does not suspend a deduction or remittance and so on and so forth: I mean, all of these things are on one hand such sort of aggressive language and such sweeping language, but I also would venture to say that they're so vague, Mr. Chair, that I can't see how they could even really stand up for any length of time either in a court of law or under even a reasonable presumption.

You know, this is often how dictatorial states will move egregious legislation. They'll say: Oh, don't you worry; we couldn't possibly do any of those things. But all we have is the letter of the law that is given to us, and all we can do is judge a government or an individual by their actions. Right? The very act of writing these things down is an action that I consider to be quite threatening, certainly, not just threatening within the context of strikes and so forth but within the context of a just society and a

free society and the way by which we can organize ourselves and speak freely about issues of the day and so forth.

I can see where the member was dealing with this in the amendment in some categorical way, taking it out of the hands of the minister who devilishly drafted this legislation. Better look it up to see if that word is in there, right? Devilish. Like devilled eggs, of course.

I think we need to remind ourselves as well, though, that we'd like to put ourselves and legislation and amendments such as this within the context of national standards. Really, we've worked on this very hard over the last few days. There's nothing that even resembles this kind of legislation in any other province in the country. You know, perhaps we're trying to be leaders in some sort of bizarre, aggressive way, to see who can draft the very worst labour legislation of all time. We would win, of course, if we do pass this. But in any other province, certainly, it doesn't exist to this degree whatsoever.

The justification that I see for this Bill 45 is completely out of context for the events that have taken place in this province not just in the last 12 months but in the last 20 or 30 years, where we've had actually quite a stable labour landscape. The excuse for this thing was that somehow there was a risk, and this deters risk somehow. It reminds me of when some small thing happens or something happens in a country, and they use it as an excuse or a pretext to bring in wide-ranging, sweeping, very negative things. I mean, I've just got the feeling that I'm caught up in the middle of that kind of behaviour here as well.

Certainly, the amendment shows some signs of life. But I think that, categorically, we can't, as the New Democrats here tried to, make a silk purse out of the proverbial sow's ear. You know, it's just too much. Bill 45 has too many things that interact with each other in a very negative way, so we are preferring that we can just reject this bill. I was thinking about it this afternoon. We don't need to just jump on this. There's no reason why we can't maybe just let it sit for a few months or perhaps put a pause on the aggression and the suspension of logic that this bill somehow represents. I think we'd all be the better for it. Right?

**8:20**

It's supposed to be the holiday season, where we reflect on things that we have and count our blessings and think about brotherly and sisterly love for each other. What better way to demonstrate that than to the 22,000 workers that are directly affected in a most negative way by these two bills and then the hundreds of thousands of workers that also will be living under the pall and dark shadow of these two bills? You know that if they can get away with this kind of thing, who knows what's going to be next? The building trades like to think they've inoculated themselves. They haven't. The other independent unions are all going to have to live under this very dark shadow, and I think that we could do everyone a great favour here in this Legislature by taking two steps back, agreeing to disagree in some general way but certainly not vote for this kind of aggressive attack on workers here in the province of Alberta.

Thank you.

**The Chair:** Thank you, hon. member.

Are there others on the amendment? The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Chair. I just wanted to add a little bit because I was challenged earlier to provide some concept around the idea of counselling. I would direct members to section 22 of the Criminal Code, which says:

22. (1) Where a person counsels another person to be a party to an offence and that other person is afterwards a party to that offence, the person who counselled is a party to that offence, notwithstanding that the offence was committed in a way different from that which was counselled.

(2) Every one who counsels another person to be a party to an offence is a party to every offence that the other commits in consequence of the counselling that the person who counselled knew or ought to have known was likely to be committed in the consequence of the counselling.

(3) For the purposes of this Act, "counsel" includes procure, solicit, or incite.

In commentary to that I would say that in *R. versus Sharpe*, 2001, Supreme Court of Canada, it says that counsel under this section is more than simply advising. It has the meaning of actively inducing. The mens rea of counselling requires evidence that an accused either intended that the offence counselled be committed or knowingly counselled the commission of the offence while aware of the unjustified risk that the offence counselled was in fact likely to be committed as a result of the accused's conduct.

Mr. Chairman, it's very, very clear that counselling is not simply people talking about what might happen. It's not simply people sort of speculating: wouldn't it be great fun to go on a strike? It's people who are actively inducing the action which then occurs. That's a legal term. It's been interpreted by the courts. It's not ill-defined or undefined. It's, in fact, something which a court would find. It's not something which is imposed by a government or by an employer or by a minister. It's a term which can be well understood by the actions which are put forward, and then a court or the Labour Relations Board would determine whether, in fact, the evidence actually indicated that the person who was counselling actually intended the act of the strike to happen.

It's not a simple little matter that anybody can fall afool of, and it's not curtailing people's freedom of speech to discuss whether they're unhappy at work. It's not a question of people hanging around saying: "Oh, there are bad things happening" or "Maybe it's unsafe at work." It's actually a serious intent to encourage someone to commit an offence.

**The Chair:** Hon. Member for Calgary-Shaw, did you wish to speak on the amendment?

**Mr. Wilson:** Yes, very briefly, Mr. Chair. Thank you for the opportunity, and thank you for the clarification, Minister, on that particular clause.

I just wanted to comment quickly on my colleagues that are quite conveniently to my left. The difference between pragmatism and idealism . . .

**An Hon. Member:** Not anymore. Not anymore.

**Mr. Wilson:** Easy. Easy.

The pragmatic approach and the reason why our party and our critic here proposed these amendments was because we accept the fact that regardless of what we do over here, this government is going to pass this bill. We might as well do the best that we can at trying to make it just a little bit better than it was when it first was tabled. As much as I appreciate the idealism that you are, I guess, showing by your insistence in not supporting this amendment, I would just merely ask you to reconsider as I'm sure that the government will no doubt be in support of our amendment on this.

That being said, Mr. Chairman, I just wanted to let this committee know that, speaking about this bill and about where my vote will land, if the government does accept this amendment, I

will happily be supporting Bill 45. If the government does not support this amendment, I will still struggle to do so.

Thank you.

**The Chair:** Thank you.

Are there others on the amendment?

Seeing none, I'll call the question on amendment A1.

[Motion on amendment A1 lost]

**The Chair:** Back to the bill. The hon. Member for Calgary-Mountain View.

**Dr. Swann:** Thank you very much, Mr. Chair. It's my first opportunity to speak in committee on Bill 45, and I'm honoured to do so. I want to try to create a little different ambiance here while we're talking in committee on the impact of the bill. I think there's an opportunity now to just pause a bit and reflect on some of the impacts. I'll more than anything just raise questions for the government. I hope they're thoughtful questions. I hope they're taken in the spirit in which they're given because I think this has important implications, as we've seen from the attendance in the gallery, both tonight and other nights, the seriousness with which many people in Alberta are taking this, and indeed the seriousness with which it's being, I guess, communicated across the world and in some jurisdictions. I'll comment on that later.

We're talking about the impact of the bill. In the interest of honest dialogue I'd like to just raise questions that I think many people have wrestled with and made comments about and made decisions on, but I hope we can open up our minds and consider, once again, some of the key impacts of this bill. I submit these respectfully in hopes of gaining attention to the consideration of the potential benefit and potential damage these bills can do not only to the recipients of the bill, the Alberta Union of Provincial Employees, but also to the public and to government and to this institution, the democratic process that we represent.

Well, first of all, the most salient question would be: what is going to be the impact on the Alberta Union of Provincial Employees? What will it be financially in terms of their income? What will it mean financially in terms of any actions that they feel they have to take as a result of this? What's the impact on individual members of the public service, AUPE, and other unions in respect to their own sense of their worth as employees and as civil servants, servants of the public? What will be the impact in terms of their own self-confidence and what they bring to the workplace, their attitude? What will it do to their sense of fairness? How will that affect their willingness to volunteer, to go the extra mile, to bring a very positive attitude to their work and to their clients? I hope we're taking that into some consideration because that's a key to productivity: how people feel about themselves, how they feel about the workplace, and their ability to influence it in a positive way.

Will it build confidence? Will it build trust both between the workers and with their employer, the government of Alberta? That's an important dimension of impact in a bill. The irony is that this is called the public-sector continuation bill, and I guess the question would be: will some people decide not to continue work if they feel that this has been in some way harmful to them, to their self-respect, to their ability to do their job, to their confidence, and to their trust?

Does it build on a strong Progressive Conservative foundation set by Peter Lougheed? I know everyone in this House is proud of the legacy of Peter Lougheed. Will this build on that important visionary leadership and, certainly, his commitment to human

rights, or won't it? I ask that seriously. Will this help build on that strong PC foundation or not?

Does it honour the Canadian value of negotiation and respectful bargaining in good faith? Does it send a positive or a negative message to people in the public service and to our union folks in the province? Another measure of impact I think we need to consider.

8:30

Does a forced agreement send the message that this government wants to send to our public servants, and does this ultimately save money in the short term? Perhaps it will. How about the long term? Will this bill save money for the budget in the long term? Again, I guess the question becomes: how much will we pay in terms of attitude shift, lost productivity, and, potentially, litigation, lawsuits, in terms of Charter challenges, which, from everything I've heard, could be quite expensive?

Finally, what will the political impacts of these two bills be? I'm sure, given this government's long history, they weigh the impacts, the political impacts, of everything they do. I again want to challenge you folks: what are the short-term political gains, in what populations, and what are the long-term political gains? What are the short-term losses and the long-term political losses? I think there are some serious liabilities, myself.

I hope one of them will be enhancing our respect for the democratic process. If it doesn't enhance our respect for and our engagement as citizens in the democratic process, then surely we have to consider that. If it's going to undermine our ability to represent people and to have them engaged with the political process, that's a significant liability. I think you recognize that some of us believe that it might do that. It might be a serious long-term threat to our engagement with citizens, not only those in unions but, generally, citizens who have watched the proceedings and watched the process through which these decisions have been made, especially, I guess, from my point of view, the short timeline in which we've tried to squeeze this all in.

I guess my question directly to the minister, perhaps disrespectful since I didn't have the floor – I continue to ask the minister: why the rush? Why the haste on these two very significant bills from a public perception point of view, from a public trust point of view? Why the haste in the last few days of the Legislature, and why contain the debate so stringently? Again, I just have questions about how that's going to strengthen or undermine the democratic process and public trust.

From a political point of view is that going to serve the Progressive Conservative Party, both in the short and the long term? How will the Progressive Conservative caucus feel about this at the end of the day, having rammed this through in a short time and limited debate and without hearing the full dimensions of how it may or not impact them? How is it going to build a team within the PC caucus, and how's it going to affect relations between the PC caucus and their staff, their public servants, that they're involved with day to day?

Finally, as I mentioned, the big political determinant is how it's going to impact the public, public perception. I think the media have done a fair job in this case of raising some of those questions so that the public can wrestle with these.

Recently an international body called the Index on Censorship has run an article on this particular set of bills, raising the question of whether this has pushed Alberta into a new level of attention around democratic rights and freedoms, particularly with reference to journalism. They're concerned that if a journalist were to raise a question about illegal strikes, wildcat strikes, there

could be a threat to that journalist. They raise some questions, I guess, about whether Alberta wants to threaten free speech, particularly that of journalists. They see it as a potential chill on journalism in Alberta. I hadn't thought of that, but they have cited it in an article this week. You can google it at Index on Censorship if you want to see the full article.

One quotation I also read today was by Bob Barnetson, a champion for farm workers' rights in this province. He spoke very eloquently, I think, about, again, the right to free expression, the right to association, the right to bargaining, none of which are available to farm workers. It's still a sore point for me and for many Albertans that farm workers are legally not entitled to form a union in Alberta. It's in the legislation that farm workers cannot legally form a union.

That's another dark spot for me in terms of the strong political and democratic legacy that Peter Lougheed left. I don't know how much the PC caucus feels that. But a number of people across the world now recognize that Alberta stands out in Canada as violating some fundamental rights of farm workers only, uniquely. They're the only occupational group that are exempted from the ability to form a union. Obviously, that goes along with their lack of protection under the Occupational Health and Safety Act, their lack of workers' compensation if they're injured, the lack of any child labour standards in the workplace for farm workers in Alberta, and the lack of a labour code.

This is coming to a head, I think, for this PC government. There are some questions about your commitment to long-term public interest, democratic process, and basic rights and freedoms guaranteed by the Charter of Rights and Freedoms. I think there are some questions that you may want to ask about these two bills in the context of how they – not only is our public looking at it, but the international community is increasingly looking at it and questioning where we're coming from.

To quote Bob Barnetson, Bill 45 would see newspaper columnists who write opinion pieces about the plight of workers, including farm workers, or those who merely comment that the only option these people have is to strike handed a hefty penalty for their work. Making such comments would be a violation of section 4(4) of the bill. In a globalized economy, where Alberta already has a hard time accessing markets around the world because of our failure to meet some international environmental standards, we've now given another reason to markets around the world not to do business with Alberta because of a record that we are creating for ourselves on how we treat workers in Alberta.

Mr. Chair, I hope these questions and these comments are taken in the spirit with which they're given. I genuinely want to challenge the government on thinking through the labour implications; the financial implications, short and long term; the political implications, short and long term; and, fundamentally, the implications for our democratic process, which, I would hope, a confident government would want to champion themselves, would want to raise to the highest possible level, would want to be proud of.

In the spirit of engaging all Albertans in this important building of Alberta, they would ensure that everyone is strengthened, feels empowered, feels engaged, and sees a vision of something very much better for all of us in the coming years, especially our children, our grandchildren. Many of us here have children and grandchildren. These are the kinds of legacies that I think we have to be much more conscious of in terms of the day-to-day decisions that may be expedient and may be short-circuiting also some of the key values that we say we stand for.

8:40

I guess my view is that these bills will not serve the short- or the long-term interests of this government, they will not serve the short- or long-term interests of labour, they will not serve the short- or long-term interests of the public, and there's very little to benefit all of us, including the Progressive Conservative government. There's still a chance to step back from this. We can refer this bill. We can hoist this bill. We can take time to reflect on it and recognize that we can all be winners here. There doesn't have to be a win-lose conclusion to this. We can all be winners here in the context of a big-picture view and the recognition that process is as important as outcome.

I know that the Minister of Human Services believes very much in process. I've seen that in action in the social policy framework and the consultations that he's done. I think there's an opportunity for him and for this government to not proceed with this bill and reflect on some of these questions.

With that, Mr. Chair, I'll take my seat. Thank you.

**The Chair:** Thank you, hon. member.

Are there other speakers on the bill? The hon. Member for Calgary-McCall.

**Mr. Kang:** Thank you, Mr. Chair. I also rise to speak on Bill 45. The Member for Calgary-Mountain View has raised so many questions. Bill 45 is a complex bill. It sparks numerous legal questions and requires substantive back-and-forth debate in order that we can properly consider it. The bill in its present form I don't think, you know, anybody should be supporting, and the government should take a second look, as they did on Bill 28 and all the other bills they rammed through. Then they had to be withdrawn or brought back later on.

This bill is against the fundamental freedoms in the Charter.

Everyone has the following fundamental freedoms in section 2 of the Charter:

- (b) freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication . . . and
- (d) freedom of association.

The nature of the problem with this bill, Mr. Chair, is that it violates section 2(b) and section 2(d). When the bill is taken to the Supreme Court, they will use the Oakes test. When Bill 45 loses in the Supreme Court of Canada, will the government invoke the notwithstanding clause? Will you invoke the notwithstanding clause if you lose in the Supreme Court after spending millions and millions of dollars?

**The Chair:** Through the chair, hon. member.

**Mr. Kang:** Sorry, Mr. Chair.

Here's a little bit of background about the wildcat strike. In 1977 Premier Peter Lougheed outlawed mass public-sector strikes in the Public Service Employee Relations Act. When things are really bad, essentially around safety issues, wildcat strikes still occur, Mr. Chair.

**The Chair:** I hesitate to interrupt you, hon. member, but pursuant to Government Motion 50 the time for debate on this bill has now expired.

I will now call the question.

[The remaining clauses of Bill 45 agreed to]

[Title and preamble agreed to]

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

**Hon. Members:** Agreed.

**The Chair:** Opposed? That is carried.

#### Bill 46

#### Public Service Salary Restraint Act

**The Chair:** Are there any speakers to the bill? The hon. Member for Calgary-Mountain View.

**Dr. Swann:** Thank you, Mr. Chair. It's my first opportunity to speak to committee on Bill 46, the Public Service Salary Restraint Act. I guess it's an interesting question, to what extent we're restraining and who we're restraining. But I guess I would have a lot of the same questions about Bill 46 that I've raised with respect to Bill 45 in relation to the short-term and long-term benefits of using, I guess, a blunderbuss or a hammer to deal with something that is more properly dealt with in a process that we have defined as binding arbitration and that this government has agreed to as far back as 1977. Peter Lougheed, along with the Canadian Charter, established the right of people to assemble, people to negotiate in good faith, and to ultimately have their differences arbitrated by an independent arbiter.

Again, I guess I would have to ask some of the same questions of this government. What is going to be the impact of this threat of very heavy-handed fines, not only financial fines but potentially restricting people's freedom? What is going to be the impact of a bill that basically tries to muzzle – this is also going to muzzle people who will not feel free to speak about unreasonable conditions, unreasonable negotiations. In combination with Bill 45 these are bills that will set a tone for people to negotiate, to not proceed with what is reasonable and fair in terms of standing up for their rights, for their respectful treatment, for their freedom to speak. This would potentially limit their rights and freedoms under the charter.

It's disappointing that a government with such apparent confidence, such a majority, feels that in some way they have to use a blunderbuss, again, to control a group of people that have legitimate rights under the Charter and then violates a basic contract, particularly with unionized people, around the right to arbitration, imposing a four-year wage settlement if they fail to return to the bargaining table. That's not the spirit in which Peter Lougheed brought in the legislation. I would have to ask the same questions again: what are the short- and long-term implications of this, financially, for this government? They may force some labour peace. They may force, indeed, some silencing of people who might want to talk about strike action and negotiate some issues that may not be on the surface of them clearly based in contract but may indeed be.

What will be the workplace implications of this in addition to Bill 45, in the context of people communicating about their work, being proud of their work, proud of their union affiliation, proud of their citizenship in Alberta and Canada? What will it mean for their attitudes in relation to their colleagues, their public that they're serving, whether it's people on the front lines of home care or people in the laboratories of hospitals, people in our correctional institutions, who are dealing with very challenging individuals? What will it mean for them when they feel that they've been bullied and threatened? Even the very idea of raising the possibility of a strike in some cases will be suppressed.

8:50

Again, whether or not it is intended, I'm asking the government to consider the possibility that they're sending a very strong message, a negative message, a disrespectful message, one that

undermines trusts and engagement, not only of the workforce but also of citizens at large, who have become cynical about the political process, which, I dare to say it, has become a lot about power and money. Is that all we're here about? Power and money? It appears to be, and this reinforces the notion that politics is all about power and money and self interest.

After 42 years of this government I think more and more people are saying that this reinforces an attitude that I don't think you want to convey but that is being conveyed. Whether you've lost touch with the grassroots or whether you're simply ignoring what people are telling you about the impacts of your actions and your bills, your policies, your processes – and this is another process that was brought in late, in the last few days, rushed through without a reasonable level of debate or an opening up of issues rather than a closing down of some of the key implications of these two bills.

Bill 46, in the same way as Bill 45, is sending a chill through the democratic process, and I dare say there will be not only the short-term pain of implementing this on a group of people that don't feel respected, there will be long-term pain financially from a democratic process point of view and from a personal well-being point of view.

I look at policies often through the lens of health. Is this going to build capacity? Is it going to build relationships? Is it going to build a sense of confidence and empowerment in people, both in and out of the union brotherhood? If it's not, it needs to be reviewed. It needs to be revised. It needs to be rescinded. If you can't see that, I think you've become blinded to your own power and your own ability to do whatever you wish, which is dangerous in any body.

Forty-two years of absolute power is dangerous for any group, and I would say the same if it was the Liberal government in Alberta. It would be time for a Liberal government to be taken down after 42 years in Alberta because you lose touch with the grassroots. You lose touch with the impact of your policies. You lose touch with the deeper values, the longer term vision, and the opportunities that we possess as legislators to build a better set of relationships, a longer term vision, and a stronger community base that will start to work within themselves as well as with each other with a political process to ensure that we have a better outcome for all of us in the future.

A lot of it has a very specific focus on the Alberta Union of Public Employees. The question really is: what message does it send to all unions? What message does it send to all Albertans? The bill stands a very reasonable possibility of being ruled unconstitutional in a court of law. Is that the message that you want to send to Albertans, to Canadians, to the international community? Surely not.

The government says that it's going to ensure fiscal restraint. But to what extent? For what period of time? How is it going to translate into more productivity? The minister is quite aware that employee surveys in the Human Services department continue to be very low in terms of confidence in management, confidence in the vision of the department. Is this going to enhance that confidence, that sense of well-being, empowerment, and willingness to work? I doubt it.

Does it represent bargaining in good faith, which, again, Peter Lougheed championed? If it doesn't, surely you want to look at that. Often what I reflect on in policies of this government is that there's a short-term gain, often in the bottom line, and there's a long-term pain because of the long-term implications, the damage done to individuals, organizations. The public confidence is the bigger price that we pay, with long-term costs that are not factored in.

A four-year time frame, election cycles simply are not on in the 21st century. You have the power and the experience to know that, so it's disheartening to see that kind of short-term thinking, expediency, opportunism, I guess I'd say. The comment I made on the steps of the Legislature is: if you want to know why the PC government is forcing these bills through, it's because they can, simply because they have the power to do it. This is not in the long-term public or civil servant interest. I don't think you want that. I want to give you an opportunity to take a step back and consider where this is going.

These two bills appear to be effectively dismantling or trying to dismantle the collective bargaining process in Alberta or at least send a very intimidating message to those who would stand up and challenge this government, especially a wealthy government such as we are, on their negotiating terms and conditions.

I guess the final question that we continue to ask on this side of the House is if budget is the real motivator, if budget is the real driver, if reducing costs is the real question here, reducing services, therefore. Make no mistake. If you cut what people perceive as a fair and reasonable settlement, you're going to reduce productivity. It won't be easy to measure, but it will be there. I think we're seeing that in the health care system today, where the demoralization of health workers, the chaos in the health system has come to the point where professionals don't volunteer as readily, they don't go the extra mile, they don't sit on committees as readily, and their attitude at work is less than positive. It adds to an atmosphere of distrust and lack of confidence and stress and strain and loss of productivity. I think many of my colleagues would recognize that and express that. The same is here.

If budget is the real issue, let's talk about revenue. Let's talk about a fair, progressive tax system. Let's bring in the revenue that we need to provide the basic services that we say we deserve and that our most vulnerable people deserve: seniors, persons with disabilities, farm workers who need the protection of this government, health care services, schools. If revenue is the problem, let's fix it. There's no shame in saying that we have come up to a point where we can't do more with less. We can't afford to go more and more into debt. We need to take a fair look at taxation. Then we can be solid in our commitment to some of these fundamentals: health care, education, some basic infrastructure, human services.

This is not a positive way of dealing with a budget problem. I'm not saying that that's the only driver, but it is one driver. It seems to be a major driver in a lot of the decisions coming out of this Legislature. I hope you'll rethink your obsession with the Wildrose Party and their attacks on taxation. Let go of that. This is the long-term public interest we're looking at. We have no stability fund because we haven't been bringing in enough revenue, and revenue, fundamentally, is from our resources and a fair tax system.

So let's be honest about what it is we're dealing with. We're dealing with a shortfall of revenue, primarily: \$10 billion less than the lowest taxing province in this country, Saskatchewan. We could tax another \$9 billion and still be the lowest taxation venue in the country. We'd be able to confidently provide services year to year, save money, provide the basics for everybody that needs them, and not have to resort to tactics that I think many people feel are disrespectful in the least and illegal at worst.

I'm pleased to be able to leave my remarks and my questions, and I hope for a reconsideration in this important decision that our government is making this week. Thank you, Mr. Chair.

9:00

**The Chair:** Thank you, hon. member.

I recognize the Member for Calgary-Shaw, followed by Edmonton-Strathcona.

**Mr. Wilson:** Well, thank you, Mr. Chairman. Bill 46: what a pleasure this one is. I want to thank those in the gallery who have stuck it out here to hear us debate this bill tonight. Bill 45 was an interesting one. This one takes it to a whole new level, and I've got to say unequivocally that I know I will be not supporting this bill. I don't think it matters what the government does to it. There's no way to fix this one. It is, straight up, a piece of junk. There's no better way to put it.

You know, in our party over here, Mr. Chairman, we believe strongly in respecting the rule of law and upholding contracts, including the collective bargaining process and the agreements that have been in place. Negotiating a collective agreement that's fair for taxpayers is an important goal, but it doesn't give the government the right to terminate legal arbitration rights of public-sector employees, and that's what we're seeing here.

As has been brought up time and time again in this House, in 1977 Premier Peter Lougheed instituted arbitration rights, and he gave public-sector employees the right to binding arbitration as an alternative to removing their right to strike. We believe this was and still is a fair compromise that should be upheld.

The government often accuses us of suggesting that we would hold the line on spending and that it would be much worse if we would have never increased spending because in our fiscal management plan it's suggested that we would wait until we had a balanced budget to do that. It's right. We did say that we would hold the line on spending in terms of the public sector, and we made no qualms about it. We said it very clearly in the 2012 election.

I think what's happening here and one of the big problems is that we didn't keep it a secret what we were going to do, but the governing party made all sorts of promises. The Premier dashed her little pixie dust all over the province and certainly was able to do so with the public-sector unions. You know, unfortunately, the glitter has gone away, as it were, Mr. Chairman, and I think that that's where this government is seriously getting itself into problems, into trouble. In between bills 45 and 46 it pretty much seems like there's an all-out, full-on attack against our public-sector unions, and it's just absolutely unnecessary.

The Premier has broken the promise to the public-sector unions to negotiate in good faith, to give them increases, and it should come as no surprise to her that on the steps of the Legislature every day for the past few days there have been rallies, there have been very angry people who are using their democratic voice, which it is their right to do. They thought they had done that in the election by casting their ballot, but unfortunately it didn't quite work out the way that they had planned. They were led down a path that didn't quite end up working out for them, and it's quite unfortunate.

Taking a legislative approach to collective bargaining is heavy-handed, and it erodes the trust between public-sector employees and the government. The government is basically saying: see this our way, or else we'll make you see this our way. It's terrible for employee morale, and it's certainly not the way to go about collective bargaining, and it's certainly not doing it with any measure of good faith.

The pushing through of Bill 46 shows the PCs' arrogance and contempt for the democratic process. Before these two bills were even put on the Order Paper and tabled in this House, there were

motions to ram them through this Legislature this week so that we only had to endure two hours of debate in both second reading and here in Committee of the Whole. Again, we have I wouldn't say contempt – that's not the right word – but definitely arrogance. "Contempt" is not the right word. It's arrogance. The process that they're taking is very disrespectful to what it is that we're elected to do here, Mr. Chairman, as I had suggested earlier.

Now, we would have asked our public sector to hold the line on spending to help fix the financial mess created by the PC government, but what we would not do is be holding a gun to the head of the union, the way that the government currently is. The reality is that for 35 years the arbitration system put in place by Peter Lougheed worked, and even under Ralph Klein the government of the early '90s was able to negotiate with the unions to take a rollback in pay. So it works. There's no reason for Bill 46 to come in and impose in such a draconian fashion a legislated line on spending, 0, 0, 1, 1, however they're doing it. It just doesn't make sense.

At the end of the day, Mr. Chair, one must question the Redford government's ability to govern when a system that held up for over 35 years, through thick and thin, is collapsing under her watch. It's very disappointing to see. I believe it's going to change public-sector negotiations in this province. We're at a fork in the road. Things will not be the same for a very, very long time.

But for all of those public-sector union workers and employees who are struggling as they hear this, they can rest assured that in 2016 a Wildrose government will go back and correct this process and make sure that we do this properly by reinstating the arbitration rights that have been in place in this province for 35 years.

Thank you, Mr. Chair.

**The Chair:** Are there others?

**Mr. Horner:** Mr. Chairman, I rise, and I won't take up too much time. I've already spoken once in Committee of the Whole, and I've spoken in second reading. I just wanted to talk a little bit about some of the comments that have been made by the last couple of speakers.

This is not about power, Mr. Chairman. This is about the commitment we made to Albertans to live within our means. It's also about the commitment to continue to provide a low tax environment, to continue to provide an environment where our public-sector and public service union membership and workers are amongst the highest paid in the country. We want to continue that. We want to negotiate that. We want to sit down and have that negotiation.

Mr. Chairman, the hon. member suggests that the arbitration rights will be gone after this piece of legislation is passed, never to return. That's simply not true. The bill is designed so that if we don't need this and we get a negotiated settlement, this bill is revoked on proclamation.

The other piece to this, Mr. Chairman, is that we're in a situation right now where we have a \$6 billion flood that we need to deal with, and we've got a billion dollars' worth of operating losses associated with that. Yes, this year we're looking at a position where we may have an additional billion dollars that we can work with, but frankly, as I said at second-quarter report, that billion dollars is spoken for. It's spoken for based on helping southern Alberta rebuild and Albertans in southern Alberta to do that.

Mr. Chairman, the other piece that the hon. member suggests is that they'll somehow revoke or put this back in, which is a purely political ploy for the members in the gallery and those outside

because the reality is that the compulsory arbitration won't change after this. This is for this period in time, for this particular contract.

As the Premier suggested today, we requested that the AUPE come back to the table. They denied. We asked, "Let's sit down and have another offer," so we put another offer on the table. It was rejected.

Mr. Chairman, I heard from the hon. Member for Edmonton-Beverly-Clareview about B.C.'s agreement, and I've been reviewing some of what B.C.'s agreement has within it. I understand it to be, like, 5.5 per cent over five years. It sounds pretty close to 1 per cent a year. I understand that it has some benefits in there around the fact that they would share in GDP growth. Well, you know, the way that you get to that type of agreement is where one party puts something on the table, and the other party responds and puts something on the table. That's what we want to see. We want to see some negotiation that might actually even come with that.

I'll tell you this. That kind of unique arrangement that you see in B.C. would not come from compulsory arbitration. It comes from sitting down, talking to each other, and trying to come up with something that is a fair deal to the taxpayer, Mr. Chairman, which is what part of our obligation is, a very big part of our obligation. I know the hon. members opposite have always purported to be, you know, the protector of the taxpayer and talking about, you know, cutting back on expenditures. They've got a \$5 billion capital plan, and they still haven't told Albertans how they're going to pay for it. The only way they'd be able to pay for it with cash is – well, they're not going to use cash. They said that they can't dip into the sustainability account because that changes the net financial losses. So they still haven't figured that one out, Mr. Chairman.

But now they're trying to tell Albertans and they're trying to tell the members that are in this gallery and the members of the AUPE that they are the bastions of saving, negotiating, arbitration, and of all things collective bargaining. Yet their own budget, the Wildrose financial recovery plan – it's not a budget, Mr. Chairman, because there are no actual financials in it.

#### 9:10

But there are a lot of very interesting statements in this document about how they would freeze wages, how they would cut management levels by 50 per cent, how they would effectively say to public-sector employees that we're going to have to have a hiring freeze, that we're going to have to essentially hold the line on the public-sector salaries until the cash surplus is established. Well, Mr. Chairman, if you're spending \$5 billion in cash every year on your \$50 billion capital plan and you're not cutting anything in the public sector in terms of the services we're providing, they're never going to get to a cash balance.

Obviously, I guess they'd have to freeze salaries at zeroes indefinitely. I fail to see how the members that I've spoken to from the AUPE, given the fact that a zero, 1 per cent, lump, 1, and 1 is evidently not acceptable, are going to accept indefinite zeroes. And they're not going to have to legislate that? They're just going to say: "Okay. I guess we ran on that, but we're not going to actually do it." That is what they're telling us now.

Well, Mr. Chairman, you know, they're suggesting that we didn't run on this. Well, we didn't run on the fact that we were going to have a \$6 billion revenue deficit in the bitumen bubble either. We didn't run on a lot of that. But to suggest that we ran on the fact that we were going to freeze your wages and that you would have accepted that and now to say, "Well, no, we wouldn't

freeze the salaries if you didn't want us to" is a little bit disingenuous.

I guess what I'm suggesting is that the reason that this piece of legislation – and, as I said in my opening comments, I'm not superpleased that it's my duty to bring that piece of legislation to this House. But as the Finance minister and as a member of the government of Alberta and representing 4 million Albertans – and I know that all of the members of the union are taxpayers, too – it's my obligation to make some tough choices and to make some tough directions. That's what leadership is all about, Mr. Chairman. That's what we're doing here.

We want to sit down at the table with our public-sector employees. We want a negotiated agreement. We're asking for them to come back to the table. We'd like to see that happen. You know what? I'm a pretty innovative kind of guy, too. I would love to see us talk about things like what that B.C. agreement has in it. I think that would be kind of neat. But I'm not doing the negotiations, Mr. Chairman. I'm asking them to do the negotiations, and we would love to see an offer on the table.

**The Chair:** Thank you, hon. minister.

I'll recognize the Member for Edmonton-Strathcona.

**Ms Notley:** Well, thank you. It is a pleasure to be able to get up and speak, finally, fully on Bill 46 as this is my first opportunity to do that. Now, I will say this much about the comments that the Minister of Finance just made. With the greatest of respect to my colleagues in the Official Opposition, whose participation in some of the fight-back on these bills has been well received and much appreciated, I will say, nonetheless, that watching the Official Opposition and the government talk about who is best at representing union rights and ensuring fairness for public-sector workers is a bit like watching two really old dinosaurs that are stuck in the tar ponds sort of roaring at each other as they both kind of sink into the muck. I have to say that it's really quite entertaining – quite entertaining – watching it. Now, that being said, you may ultimately win the tar pit mud fight, but at the end of the day it is still a dinosaur-ridden tar pit mud fight.

You know, we talk about disingenuous statements, and let me just begin by saying first of all to the Minister of Finance: yeah, I'd love to see the B.C. kind of negotiation. But, of course, one of the things he forgets is that the BCGEU actually still has the right to strike. Okay? That's really fundamental. So you're right. They didn't have to go to binding arbitration because they have a right to strike. They haven't had their ILO-recognized, basic fundamental human rights ripped away from them like the public-sector workers in this province did decades ago. Let's just be very clear here. If that's what you're yearning for, there is a path for you, and the path is to fundamentally amend the Public Service Employee Relations Act. But I suspect that that's not really the path that you are yearning for.

[Ms Kennedy-Glans in the chair]

Let me go back to the whole issue of what is or what is not disingenuous. I have to say that when I hear folks from that side talk about how "we really want to bargain with AUPE; we just really want them to come back to the table," that is the most disingenuous statement I've ever seen. That's like, you know, a 72-year-old woman walking down the street carrying her groceries in one hand and her bag in the other hand, and three guys come up with a gun and say: "Jeez, we'd like to bargain with you about whether you're going to give us your wallet or not. Okay?" That's what you guys are doing. There is no bargaining when you've



indicated that the trigger is going to be pulled January 30, and you know it, so stop saying it.

You know the courts are going to tell you that that's not genuine bargaining when, in fact, this gets in front of the courts, so stop saying it now. At least have the intellectual integrity to acknowledge what you've done. You have taken one of the three legs out from under that three-legged stool, and that stool is going to fall down now because, you know, they need to be able to join a union, they need to be able to bargain, and they need to have a means of resolving disputes if the bargaining goes south, and you have just taken that away. So it is not possible for them to bargain in good faith in this current environment. That is, in fact, the primary example of disingenuous debate in this House, even more so than the other debate that you've been raising some concerns about.

The minister says: well, you know, we ran on living within our means. Now, I'm just kind of curious because there are at least 15 promises that I could run through right now that you also ran on that, you know, you've broken. You ran on full-day kindergarten. You ran on eliminating child poverty in five years. You ran on respecting postsecondary education. You ran on enhancing the scholarship opportunities for university students living in rural and aboriginal communities.

**Dr. Swann:** Dealing with climate change.

**Ms Notley:** I don't actually think they ran on the environment. I kind of noticed all along that the Premier was steadfastly silent on the environment, so I thought to myself: whoa, if she's not even prepared to break that promise, wow, is she ever going to the other side on that one. I always knew that that was one that we were in big trouble over and in fact every single thing this government has done since this Premier has been elected has been just an outrageous attack on the integrity of the environment. Anyway, I digress.

The point is that there is a whole schvack of promises that this government made in the last election. So why pick this one out of the bag to keep? That is my question because you've broken all of the other ones. Now, that being said, it's not even that you're actually doing that – okay? – because you're not living within your means. You are creating a structural imbalance in terms of our revenue against our expenses because you fundamentally refuse to collect the revenue which the people of this province are entitled to.

[Mr. Rogers in the chair]

You're so wrapped up in giveaways to your friends in the oil and gas industry, to your friends in the Canadian Association of Petroleum Producers. I'm actually surprised that they're not sitting up there. Honestly, if I came here, Mr. Chair, one night to debate and I found a couple of CAPP execs just sort of sitting in for one of the cabinet ministers or two or three of the cabinet ministers, I wouldn't be surprised because, you know, they're kind of directing things anyway at this point.

Anyway, the point is that we're giving the farm away. We're doing it at the expense of all Albertans, and we're doing it at the expense of generations of Albertans to come. So, yes, we have a problem with respect to living within our means, but that is because this government is not interested in standing up for the rights of Albertans to establish our means and to build our means and to collect our means because our means are more than adequate. We just have a government that can't be bothered to collect them and give them to the people of the province, to whom they belong.

That's the issue with respect to living within our means. We don't really want to bargain because we've got a gun to their head. We're not really that interested in doing what we need to do to live within our means. We're not interested in bringing a progressive tax system. We're not interested in doing any of that kind good stuff. Instead, we're interested in keeping the members of AUPE to a deal of 0, 0, 1, and 1.

9:20

Now, let's talk a little bit about what that actually means for them. The survey of top employers by the Hay Group released in August included their predictions for what was going to happen with respect to Alberta wages in 2013 and 2014: a 3.6 per cent increase in 2013 and a 3.2 per cent increase in 2014. What did AUPE ask for? Three and three. Reasonable? Keeping up with inflation? Barely, actually. What did they get? Zero and zero. What is the context within which that is being offered to them? It's being offered in the context of them having taken roughly 4 per cent at a time when inflation increased at a greater rate, so they've already lost in real dollars in the previous round of bargaining.

That's what we're doing. We're taking money away from these workers, who this government said disingenuously, let me say, that they believed were heroes this summer, these public-sector workers who came out to work so hard on behalf of all Albertans and put in all those hours and rolled up their sleeves and gave up their time and put in overtime up the yingyang and just kept working until everything that needed to be done was done.

Those folks then, of course, got yelled at because they didn't put up the signs fast enough. That was funny because, you know, it's not enough to stop the floodwaters and to help people get settled in proper living conditions after the disaster. No, no. They need to put up 150 signs with pictures of the Premier on them, and if they haven't done that, well, then, they haven't done their job.

Anyway, that's what they did, and what we're going to do in return is that we are going to effectively reduce their real wages by about 3 per cent a year over the next four years, or 3 per cent, 3 per cent, 2 per cent, 2 per cent. As I said before, roughly a 10 per cent rollback is what this government is interested in doing with those folks. Now, they say: well, you know, other public-sector employees have also agreed to this. Well, we've already talked about the teachers. They didn't agree to it. They were forced into it much in the same way that AUPE is being forced into it.

The doctors. Let's just talk a minute about the doctors. Let's be clear. The doctors did not take 0, 0, and 0. I don't know what planet any minister over there is on if they're suggesting that the doctors took 0, 0, and 0. From what I can tell, they took something like 2.5, 2.5, COLA, and \$68 million dollars, so I don't know. I'm not an accountant, Mr. Chair, but I'm pretty sure that does not amount to zero per cent. Given that that increase was applied to an average salary of \$357,000 a year, I'm thinking they're doing okay. I'm thinking that saying that because doctors, who earn an average of \$357,000 a year, got 2.5 per cent, 2.5 per cent, COLA, plus \$68 million, somehow that means that people who put up those signs for the Premier after being yelled at a lot for not doing it fast enough are obliged to take 0, 0, and 0 on their average salary of roughly \$55,000 a year is really quite disrespectful.

I know I feel like I'm overusing that word sometimes. It is frustrating to me, but I have to say that on behalf of not only the members of AUPE but average working folks in this province – because we know what the average wage is for most Albertans, the average and the median, and it's around about \$65,000 a year. Those people are really quite offended by this government saying: hey, we only gave the doctors 2.5, and you know they were only

hey, we only gave the doctors 2.5, and you know they were only making \$350,000 a year, so you guys should also pull your weight.

It's just like when these MLAs all get together and say: "Hey, look at us. We're taking a wage freeze. You know, it's \$160,000 a year. How will we ever make do for the next three years with our wage freeze? Look at us all joining together in solidarity." Well, you know what? It's just not the same, Mr. Chair, for us to take a wage freeze as it is for someone who's earning less than half of what we're earning or in some cases a third of what we're earning. The fact that these folks don't get that is yet just one more indication of how completely disconnected they are from the real world and the real lives of the vast majority of Albertans in this province. That doesn't mean that we're not a productive province, that people don't work very, very hard, that people don't all have jobs and they're not pleased with their jobs and they're not proud of their jobs and they're not happy to work more or to contribute more to their communities as volunteers and in all those great things.

But the fact of the matter is that the vast majority of Albertans do not live in the special little Tory world, where everybody makes somewhere between \$150,000 and \$350,000 a year. That's, like, 3 per cent of the population, Mr. Chair, and these guys have completely lost touch with that fact. So for them to say, "Well, we're all in this together" just kind of makes my stomach turn a little bit because they don't even understand what "in this together" looks like anymore. They're so out of touch with the majority of folks in our communities.

From 1993 to 2013 management wages in this province grew 52 per cent over inflation, professional and technical services in this province grew 44.2 per cent over inflation, but public administration salaries grew only 13 per cent over inflation. Clearly, again, the rich are getting richer, and the rest of us not so much. I won't say "the rest of us." I'm an MLA. I make \$155,000 a year now. I'm not part of the rest of us anymore. The point is that we need to understand that and recognize that.

Now, I've mentioned before but I want to mention again because it is really, really important to me, Mr. Chair, that the vast majority of AUPE members are women. The wage gap in this province is the largest in the country, once again, just another example of how this Premier self-righteously talks about her so-called human rights record, yet one more example why we should all just roll our eyes, turn around, and walk away. It's, again, another incredible example of disingenuous posturing. You can't be interested in human rights and completely turn your back on the fact that in this province more than in any other province in the country the gap between what women earn and what men earn is growing every day.

Researchers will tell you that the reason why in most places, unlike this province, that gap has been closing is because of the role of the public-sector unions, whether it be direct government service or federal government or ancillary public-sector services. It doesn't matter. Public-sector unions are the single biggest reason why the wages women earn are starting to catch up to men's. But when you treat your public sector the way this government is treating their public sector, you make very sure that you are rolling up your sleeves and reversing that trend with tremendous intention. That's what this government is doing. It is a clear dismissal and rejection of the notion of equality, the kind of principle that would be protected under human rights, honoured by anybody who actually cared about human rights, which, as I have already said, I don't believe this Premier does. So that is another issue that we need to talk about.

I want to talk a little bit about the arbitration. We talked about how, of course, the Minister of Finance is, you know, not being completely open on the issue of the government's positioning around desiring to negotiate because we're compelling folks to negotiate with a gun to their head. The fact of the matter is that it's not AUPE that's somehow refused to work with them. Arbitration is one tool in their tool kit that's completely appropriate under the restricted labour relations regime that this government has put in place. It is completely appropriate for them at a certain point to go to arbitration. Indeed, the government had responded and in fact had responded with who they were going to be putting forth for that process and had agreed with the process and was moving forward and then pulled the rug out from underneath them, which, of course, raises the whole second reason why bargaining with the union is somewhat up in the air now: (a) you can't bargain with a gun to your head, and (b) you can't bargain with someone who clearly doesn't understand the concept of bargaining in good faith, which is the other problem with this government. They've not conducted themselves with good faith in this process with the union. Not at all.

Had they conducted themselves with good faith, which they did not, the arbitrator would've been looking at reviewing the salary proposals and discussions between the two parties under the Public Service Employee Relations Act. That act, under section 38, would have suggested that the arbitrator would have had to look at the wages and benefits in private and public and unionized and non-unionized employment in the sector, the continuity and stability of private and public employment, and the general economic conditions in Alberta.

#### 9:30

Now, I've actually heard – and this is the other thing that I find so incredibly dishonest about the actions of the government and so disingenuous. We have the Deputy Premier, who has been out there complaining endlessly about how we don't have enough workers in this province, how the market has somehow shifted, and how poor employers can't possibly hire enough people in this province. Well, you know what, Mr. Chair? This is just another hypocrisy on these guys' part because, you see, when the market – these guys love the market. They're all about the free market, aren't they?

So when the market tells you that you're short of a certain product – and in this case the product is employees – well, that's the time for employees to use their ability to negotiate fair wages and benefits. And when the market is working against them – for instance, like in 2008 when we had a major slowdown in the economy or in the mid-80s or the early '90s – well, that's when government says: "Oh, we've all got to roll up our sleeves and get through this together. We have no money. You have no money, and we have no money, and that's just the way it is. That's what the market will say. People are just happy to have their jobs, and you should be so lucky to have your job. If we take 5 per cent away from you, that's just fine because we all know you're lucky to have your job. That's what the market says." Fine.

Well, here we are now, a few years later, and the market says something else. The market says that wages are going to go up at least 3 per cent a year. The market says that there is a shortage of employees. That's what the market says. Now, these guys can't fully take advantage of what the market would do because if they could, they could strike, and that's been taken away from them. What they can do is go to binding arbitration, where the arbitrator is compelled under the Public Service Employee Relations Act to look at what the market would bear. This government knows that had they done that, the arbitrator would have come up with a

much more generous settlement than what these guys are proposing. So they decided: “You know what? We like the market until it doesn’t work for us . . .”

**The Chair:** Thank you, hon. member.

I’ll recognize the Member for Cardston-Taber-Warner.

**Mr. Bikman:** Thank you, Mr. Chair. On my first opportunity to speak in Committee of the Whole, I spoke on the bill itself earlier today. I haven’t changed my mind. I think it’s draconian and goes much further than necessary. People that support me in my riding really believe in the rule of law. I’m not sure that they’re necessarily fans of unions in general, but they certainly believe that contracts need to be honoured and we need to keep our word and that if you take one right away, you’ve got to balance it. They believe in fair play.

This gives me an opportunity to address some of the half-truths that were referred to earlier this evening by the hon. Minister of Treasury. I’d like now to be able to give you the rest of the story. If my hon. friend over here, who’s asked me to e-mail him these points, would like to pay attention now, then he will be able to hear the top 10 ways the Wildrose would balance the budget, contrary to the allegations and misrepresentations that characterize the other side.

Number 10, save millions right under the dome by reducing ministries, eliminating associate ministers, cutting Public Affairs in half, slashing political patronage posts, and postponing the fed building extras.

Save over \$200 million by cutting grants to for-profit companies, some of whom have more money than God. Save \$150 million a year by cancelling AOSTRA. Save \$300 million by reducing the number of public-sector managers. Managers, not workers, not the people that are actually doing the job but the managers.

Number 6, sell the Alberta Enterprise Corporation, which is invested with roughly a hundred million.

Number 5, cut government promotional spending by \$20 million.

Number 4, cut AHS executives’ travel and hosting expenses in half, saving \$35 million. Whose business are they trying to get by entertaining? Tell me that.

Number 3, negotiate a better equalization deal, potentially getting billions more back from the feds.

Number 2, limit bonuses and severances for executives. Wouldn’t we all like to see that? Some results-based stuff.

And the number 1 way to save a billion is by stretching out the capital plan one year and bidding in a truly competitive way.

**The Chair:** Are there other speakers? The Member for Edmonton-Strathcona.

**Ms Notley:** Thank you. It’s a wonderful opportunity to be able to speak again to this really, really unfortunate piece of legislation. Cuts to services. We have a government that suggests that this is fair to their workers and that they are just, you know, holding the line and that everyone should just participate. But in addition to freezing and effectively reducing their real wages, what this bill is doing in concert is also cutting services and creating incredible chaos in the work environment of these AUPE staff.

Quite honestly, I just don’t know that I have seen more chaos in this government than I have seen over the last few months. Just for example, those poor workers who are engaged in some fashion with the services provided through Alberta Health Services. You know, I can’t even begin to imagine how they can do their job from one day to the next. Their boss changes every week, and their managers change every week, and their directives change every week. One day the minister is in charge, and the next day

someone else is and it’s their fault, then the minister is in charge again, and then it’s someone else’s fault, and then the minister is in charge, and then it’s someone else’s fault. Clearly, they’re creating an incredibly, incredibly chaotic work environment for their staff.

Above and beyond slashing their wages effectively by not giving them even the basic cost-of-living increases that would allow them to maintain – just maintain – their current buying power and their current quality of life, they’re also making it worse because, of course, they are repeatedly playing around with and reorganizing and generally creating a huge amount of chaos within the government area itself. They just don’t listen to their employees, they don’t consult with their employees, and they are generally highly, highly disrespectful of them. So that is yet a whole other element. Now, I realize that’s not specifically addressed in this bill, but this bill needs to be seen in the context of this government’s constant reorganization and the cutting of public services in many respects.

For the moment, I am going to sit down and cede the floor to at least one member who I believe is interested in rising.

**The Chair:** Are there others? I’ll recognize the Member for Calgary-McCall, and then Edmonton-Calder.

**Mr. Kang:** Thank you, Mr. Chair. I would also speak in opposition to Bill 46. Here’s the chronology of things. Government employees are under the Public Service Employee Relations Act, enacted in 1977, and that act prohibited government workers to go on strike, but they were given the right of arbitration. When negotiations failed, you know, there was mediation, and when the mediation didn’t work, then the government and the union both agreed to binding compulsory arbitration. Now the government is imposing this settlement, this offer they made, by bringing in Bill 46.

**9:40**

When negotiations with the province on a new contract reached an impasse, which resulted in AUPE applying for mediation, mediation took place on July 3 and 4, 2013, at which point the mediator determined the likelihood of resolution was remote and concluded the process. AUPE subsequently applied to the Labour Relations Board on July 15, requesting that a compulsory arbitration board be established. Bill 46 ends the arbitration board that was set up under the Public Service Employee Relations Act and will impose a four-year wage settlement on AUPE if it doesn’t return to the bargaining table and negotiate a new settlement by January 31.

The Finance minister has said that a new wage deal with AUPE, whether it is imposed or negotiated, must be in line with the multiyear wage freeze that Alberta doctors and teachers have already accepted. But, Mr. Chair, doctors have two years at 0 and 0, then they have 2 and a half, and 2 and a half, another \$60 million dollars. The president of AUPE, Guy Smith, has aptly likened Bill 46 to having a gun held to your head. If a negotiated settlement cannot be reached, then the government will force one down their throats anyway.

Here the problem is good faith. The Minister of Finance was talking about B.C. unions having a contract settled with the government, but that was done in good faith. Here if the good faith comes back, you know, maybe there can be a negotiated settlement, Mr. Chair.

The AUPE represents 22,000 front-line workers in a variety of fields from correctional services to social workers. By taking their arbitration right away, Mr. Chair, I’m wondering what it will do to their morale, what it will do to their productivity. Here we were

singing the praises of front-line workers when we had those floods, you know, how hard they worked, how they were heroes. Now I think that by taking the right to arbitration away from them, we are making them zeroes. This is not justified.

When in 1977 the right to strike was taken away, there was something given back in return, and that was the right to binding arbitration. The following are some of Minister Leitch's comments from the second reading of Bill 41, the Public Service Employee Relations Act, on May 10, 1977.

If they are not to have the right to strike, in fairness to them we must provide a system for resolving labor relations issues that is not only fair but is seen to be fair by them.

Mr. Speaker, I'll conclude by simply saying it is our intention to provide in Bill 41 the fairest possible labor relations system for the employees of Alberta short of providing them with the right to withdraw services or strike. In that I believe we have succeeded, and for that reason I believe Bill 41 warrants the support of the members of the Assembly.

So they were given that right, the workers, and the AUPE has not had to resort to arbitration in collective bargaining in over 30 years. This is the first time in 30 years that they went to arbitration, and the government is taking their right to arbitration away. That is the crux of the matter, Mr. Chair.

This bill is going to potentially impose a four-year wage settlement on AUPE members, which would be a clear violation of their Charter rights to bargain collectively. The government should consider that under the Charter, you know, that right will be lost, and if they fight it in the courts, it will cost lots of money. And that's taxpayers' money. That money belongs to the workers, too. The bill stands a reasonable chance of being declared unconstitutional since the government is claiming that its intent behind the bill is ensuring fiscal restraint. It should immediately abandon the bill instead of wasting taxpayer dollars fighting a Charter challenge.

In 1977, as I said, the government of Peter Lougheed took away the right of government employees to strike but wisely introduced binding arbitration as a fair substitute. Now with bills 45 and 46 the government is effectively taking away both, leaving AUPE with no options to resolve its bargaining issues. That will force, you know, bad working conditions on the employees if they have no way to settle those issues, Mr. Chairman. Bill 46 is the antithesis of bargaining in good faith.

In 2007 the Supreme Court of Canada determined that the right of workers to bargain collectively is protected by the Charter of Rights and Freedoms. That's plain in black and white, Mr. Chairman. The Supreme Court of Canada found that the Charter gives the same protection for collective bargaining as contained in international labour conventions that Canada has ratified.

Mr. Chairman, there are other reasons here. From now on a government that interferes in freely negotiated collective agreements and the collective bargaining rights of employees must justify their actions against the protection provided by the Charter of Rights.

This essentially is a high-stakes game of chicken, with public-sector workers standing to lose. Either they return to the bargaining table or have a wage settlement imposed on them. Either way they're going to lose.

Bills 45 and 46 are the beginning of the effective dismantling of collective bargaining in Alberta. For those reasons I will not be supporting Bill 46, Mr. Chairman. This is a bad piece of legislation, and it should be withdrawn right now.

**The Chair:** Thank you, hon. member.

I recognize the hon. Member for Edmonton-Calder.

**Mr. Eggen:** Well, thank you, Mr. Chair. I certainly appreciate the opportunity to say a few words about Bill 46. Certainly, this has dominated, I think, a lot of people's minds over the last week or so. I think that we've seen a lot of anger, but as time goes on, it really starts to sink in, just the whole implication of this bill and the idea of imposing through legislation a four-year wage contract for the 22,000 members of the AUPE but also, I think, setting a precedent for other contracts that are currently up for settlement.

What I was thinking about over the last day or so was that it's part of a larger problem, where this government does not manage the economic levers that it has at its disposal. These economic levers include the public service, to which they are directly employing these people, but also the larger economy, that tends to swing more wildly between boom and bust here in the province of Alberta than in other jurisdictions across Canada and throughout the world. When the boom-and-bust cycle rotates through this province, I think as part of the sort of poor economic management that this government provides, then it has a direct effect on the public service and the way by which the public service can live in this province and can afford to live with the wages that they get.

It's not as though the average person, in which I'm included, certainly, cannot see with their own two eyes exactly where our economy is going at this moment. We see growth in regard to economic growth in almost every quarter of the province – I haven't seen any place, really, that has been experiencing anything but growth – and quite rapid population growth, too, which also helps to feed the economy.

Members of AUPE and the public sector can see those factors in place, and they see it every time that they have to balance their monthly family budget as well. Presumably, we want to keep the same level of service and the same level of professionalism and reward that professionalism with a living wage here in the province. With the economy growing like it is, the population growing like it is, the level of professionalism, these four-year legislated levels of pay increase are absolute insults to the people who do the job. They know that it's wrong. Indeed, if this government would dare to take this to an arbitrator, that arbitrator would know it was wrong, too.

**9:50**

This whole mythology that's being written here in the province of Alberta since the last election of austerity and tightening the belt and everything like that flies in the face of every economic and population indicator that we could use to describe the economy of this province. The only measurement which is, in fact, a belt-tightening, austerity sort of thing is the fact that this government is not managing the revenue side of its responsibility as a Legislature here in the province of Alberta. So by not managing that revenue side, yes, I suppose, there is a money problem, but it's a money problem of collecting the resources that we would need to run the sort of society that we expect and, in fact, should provide for the people of Alberta: a place where we monitor the environment, a place where we run the parks properly, a place where we pay and run proper supports for trained professionals in our health care, the literally hundreds of different jobs that this Bill 46 casts a shadow over, Mr. Chair.

I just really want to remind this government of the responsibility they have not just to these wages over a couple of years and seeing what they can get away with using the heavy-handed choice of tool of legislation to do this but, rather, to remind yourselves about the larger responsibility you have as a government to contribute to civil society. Civil society is a tacit agreement between all of the residents and citizens of this province and the government to provide for the essential services

of health care and education and roads and sustainable environment and an equitable justice system, literally everything. Yes, it's become more sophisticated; yes, it has grown. But I would venture to say, Mr. Chair, that it hasn't even really grown commensurate with the growth of our population and economy. Right?

These same people that we're now trying to put a wage cut onto – which is exactly what it is – in fact, are dealing with more people with less personnel on the ground to actually do the job. It's not like we've gone through a great hiring phase of the public service here since, you know, the last ice age here in this province. These same people that you want to put an ostensible wage decrease on are in fact doing more and more work for less money already.

There's always a breaking point. That tacit agreement, as I spoke about last night – you know, you're attracting people to the civil service with an idea that they do want to contribute, and they do make that choice to work in a people-oriented sort of environment because they do want to be citizens that do contribute. But you can only take advantage of that goodwill for so long. Once you blow that currency, Lord knows, try getting it back. Right?

At least we have the benefit of watching other places, other jurisdictions across Canada and around the world, to see just how bad things go, just how bad things break when you start to really snap that agreement between the civil service, civil society, and the government. Lots of places where corruption starts to creep in. Lots of places where, you know, in the absence of monitoring, people just start doing things on their own: industry without environmental protection, people building in places where they shouldn't, people running unlicensed health care and so forth. Right? We say, "Oh, well, that could never happen here," but it all starts with that break in that contract, that civil contract that you have between your workers and the government that is responsible for them.

You know, it's interesting how you write a story, but the story somehow gets tripped up by reality, right? Part of the story that this government is trying to spin is: well, the public workers don't want to negotiate; they won't come to the table and won't, you know, do this and do that. We know that that's not true, and we know that there were things set up for arbitration already, including dates for arbitration.

This is something that's taken place not just in the last couple of months or years or whatever, Mr. Chair. This is something that we've seen as part of the normal cycle of negotiation here in this province for the last 35 years, right? Just like the snows come in November and spring comes in April, every few years there's negotiation, followed by arbitration, followed by an agreement. Again, that's part of the tacit contract that we have set up since 1977 in this province for the 20-some thousand public service workers here. That's what they've come to expect, and suddenly that reality has been broken. That conventional wisdom is seeping down that somehow one side is not bargaining in good faith anymore.

Arbitration is not something to be afraid of. I certainly don't agree that, you know, these members should not have the right to strike. I think they should. I think that's an important thing to have available to you. But arbitration is eminently reasonable, right? It's a process that works so often. Even when you are doing negotiation without arbitration, really you're engaging in that same process based on good faith, based on trust, and based on some reasonable expectation down the middle. We always look for compromises, and the world and our lives are full of compromises. Certainly, negotiating a wage for 22,000 public service workers should involve compromise too, right?

We don't need to have this Bill 46. Again, I've sort of been filled with the spirit of the season here and encourage everyone else to do so as well. Put this aside for a short time. Let's just put it on ice. Soon we'll be all away from this Chamber and missing each other, but in that last sort of gesture of goodwill let's take Bill 46, put it away for a little while, come back to it, and see what happens when cooler heads prevail. I know that there are people that have been watching over the last couple of days here, and certainly I'm very, very proud of the many thousands of people they represent. It's sometimes boring to watch, but, you know, you have flashes of brilliance in between. Wouldn't that be the great moment for them to witness here today, that we all stand up and say: "Yes, let's put Bill 46 on ice. Let's just not beat up on employees here for the Christmas season. We can put it away, see what happens, and maybe people will feel differently in 2014."

You know what, Mr. Chair? The government will get a Christmas present out of that, too, because at this present time with this Bill 46 and this Bill 45 they're literally bleeding votes for the next election. Votes are slipping through their fingers like water and sand do on the beach. It's pouring out. If you could possibly give yourself a Christmas present, dear government, you would put these two bills on ice and you would staunch that flow. Cooler heads would prevail, and we'd all have a better society for it.

Thank you.

**The Chair:** Are there others? The hon. Member for Edmonton-Strathcona.

**Ms Notley:** Thank you. I would like to talk a little bit about where I left off talking before, which is the issue of bargaining and respecting the market, and you know, the "Don't just do as I say; do as I do" kind of thing. To these guys, as I said before, nothing is more valuable than the free market and the free operation of the free market.

It's not surprising, really, because for Conservative governments, whether they be this Conservative government and, quite frankly, many Liberal governments in other jurisdictions and federally, this is very typical. The minute the economy heats up, the minute workers are in a situation where they finally have some market influence, some control, some ability to assert their rights and take those major steps forward, then that is the time that you will see the government come in and suppress and eliminate the right of workers to use their bargaining power to actually improve their situation. It's very typical behaviour on the part of right-wing governments to whine about negative economic situations in an effort to suppress worker wages when the economic situation is not good and then to simply change the rules when the economic situation is to the benefit of workers. It's hardly surprising that that's the case, but that's what these guys are doing.

**10:00**

I want to talk a little bit about what the implications of that are because the fact of the matter is that the minister has suggested: oh, well, you know, we're only tearing up the Public Service Employee Relations Act and the protections for collective bargaining contained therein for this time because we all have to work together to deal with the tremendous financial strain that we're under as we have the extra billion dollars that we found in our sock under our bed after the first six months of the budget year.

They're all saying that, but the fact of the matter is this. What this government has done is they have truly through Bill 46 engaged in, very clearly, bad-faith bargaining. We've had this system that's been in place since PSERA was brought in and since

the government ripped away the public-sector workers' right to strike and replaced it with binding arbitration. We've had this system in place. Now the government doesn't like the rules they have to play by, so they've just decided to write legislation to rewrite the rules. Classic schoolyard bully behaviour. Classic, classic schoolyard bully behaviour. That's what they've done.

What they don't seem to understand – and a couple of other members, both Calgary-Mountain View and Edmonton-Calder, have alluded to this outcome – is that they have fundamentally broken the trust with the people with whom they are bargaining. I don't know how they can ever possibly expect to have anybody come to the bargaining table with them again without those people anticipating that these guys will lie to them and bargain in bad faith and rip up the rules and rewrite the rules and just generally be the schoolyard bully. The fact of the matter is that anybody in any negotiations with this government from here on in has good reason to believe that they can't trust them in anything. They will not keep their word, they will not respect the bargaining process, and they're not at all interested in preserving their reputation of integrity.

That doesn't just apply to AUPE. Quite frankly, this actually will have a chilling effect in all different sectors. I mean, as much as the business community goes, "Oh, yeah; these are our guys; they'll always do what we want," the fact of the matter is that these guys had a set of rules. They sat down at the table. They started bargaining. They didn't like the outcome. They ripped up the rules. They used their ability to pass legislation. They created a new playing field. There's nothing to say that they won't do that to farmers. There's nothing to say that they won't do it to landowners – oh, wait; I guess they've kind of already done that – that they won't do it to people concerned about preserving the integrity of our environment, that they won't do it to nurses, that they won't do it to doctors, that they won't do it to children because, quite frankly, this is a government that doesn't believe in keeping its word about anything.

When they don't like the way things are unfolding, they'll just rip it up and pass a new piece of legislation to reset the playing field. Just reset it: "Nope. We're going to press reset. We're going to start this game over, and we're not going to let you guys play until halfway through it, and that's how we're going to play from here on in." Classic schoolyard bully behaviour. That's what these folks have done with this bill.

Mark my words. This does not just have implications for labour relations; it has implications for all bargaining, all negotiations, all representations, all complex issue management items out there where people need to know that they can trust the integrity of this government to manage their way out of a complicated situation. Now, I don't really care what's in the best interest of Christy Clark – she is not someone I have a tremendous amount of support for – but the fact of the matter is that if I were Christy Clark, I wouldn't be sitting down at the table with these folks. No, no, no. I would not. They have clearly proven that they cannot be trusted. Christy Clark shouldn't be sitting down with them or, you know, even their friends in New Brunswick. If I were them, I'd be a little bit worried because these guys will just change the rules.

They're not interested in keeping their word. They're not interested in acting with integrity because what they have done here is they have completely changed the rules of the game. There was a clear set of rules laid out in the public-sector employment relations act for how these matters were to be dealt with, and then when these guys didn't like it, they brought in this legislation, and they laid out section 4(1), nonapplication: "Division 2 of part 6 of the Public Service Employee Relations Act will not apply because we don't like it. We don't like the rules of this game anymore.

We're not going to win, so we need to change the rules." That's what they're doing.

What are the rules again, just to review? What would the arbitrator have been considering? Well, the arbitrator, as I said before, would have been considering

- (i) wages and benefits in private and public and unionized and non-unionized employment;
- (ii) the continuity and stability of private and public employment [in the province], including
  - (A) employment levels and incidence of layoffs [in the province]

Well, we know that that is not an issue right now.

- (B) the incidence of employment at less than normal working hours.

Well, I could have sworn that I've heard these guys crying crocodile tears over the fact that they can't find enough full-time nurses. Clearly, if anything, they have too many people working part-time, and they want more people working full-time.

- (C) opportunity for employment.

Well, of course, we've already talked about that fact. The fact of the matter is that we have a worker shortage. Then, of course,

- (iii) the general economic conditions in Alberta.

These are the things that the arbitrator would have considered. The government didn't like playing by those rules anymore.

Then they would have as well considered

- (i) the terms and conditions of employment in similar occupations outside the employer's employment, taking into account any geographic, industrial or other variations that the board considers relevant.

The arbitrator might have considered

- (ii) the need to maintain appropriate relationships in terms and conditions of employment between different classification levels within an occupation.

For instance, I'm pretty sure that the arbitrator would not have said: "You know what? I think it's a really good idea that we give the biggest wage freeze to the lowest earning group in the employ of this government." I'm pretty sure they would not have said: "You know what? Let's make sure there's a bigger gap between these groups of people." I'm pretty sure that's not what the arbitrator would have said. That's what these guys are doing, but that's not what the arbitrator would have said.

- (iii) the need to establish terms and conditions of employment that are fair and reasonable in relation to the qualifications required, the work performed, the responsibility assumed and the nature of the services rendered.

These are the kinds of things the arbitrator would have considered had Bill 46 not come along and change the rules of the game because little Johnny is starting to cry in the sandbox and wants to take his toys home. So little Johnny, or little Ali, decides to introduce Bill 46 and take her toys home.

This is really important because this really does lay out very, very clearly that the bargaining relationship, the employer-employee relationship, between this government and their staff will not ever be the same. They have fundamentally breached that trust with their employees. This is something that all Albertans will pay the cost of. When you break your promises, when you act unethically, when you bargain in bad faith, when you treat people unfairly, what ends up happening is that everything is impacted. These guys are acting like schoolyard bullies except, unfortunately, they're schoolyard bullies that have a huge amount of control over the everyday lives and working conditions of 24,000 Albertans – I think that's the group that's actually implicated in this particular bill – which is outrageous, of course. But that's what they do. They have that much power, and they have very, very, very clearly broken their trust with them.

10:10

I expect that you are going to see morale plummet within the public sector. I have heard from so many people. Obviously, I've heard from the people that have heroically showed up to demonstrate outside of this Legislature when it was, you know, minus 20 and blizzarding and blowing out yesterday. I've heard from those people. I've heard from the people that are here watching us debate. I've heard from people who have been watching us online, who've been tweeting and facebooking. But I've also heard from people who are not really even that involved in their union at all, people who otherwise, when I talk to them about their job, talk solely about: this is my job; I am committed to this public service, and this is what I like about my job, and this is what makes me feel good about my job. They don't happen to be union activists. It doesn't make them good or bad. Personally, I wish there were more union activists, but whatever.

The fact of the matter is that they're not talking about it within the context of being union members or not union members. They're talking about it within the context of being employees who thought they were doing good work, who thought they were respected, who thought that their education was valued and their contribution was valued, who thought that their efforts to do a better job every day, to work harder, to bring out better outcomes for Albertans, that those efforts were seen and valued by this government. I've heard from those people, too, and those people have told me that they are so angry. So angry. They cannot believe how profoundly betrayed they feel by a government that clearly doesn't care about them, that clearly is prepared to use them as tools, that clearly is not prepared to stand up and defend them.

We talked a little bit about living within our means, and I just wanted to speak again about the issue of progressive taxation because, you know, the first step in Alberta is to move Alberta back to a progressive tax system, used by every other province and the federal government. This government has gone on and on about how great the flat-tax system is, but it's interesting. It's been in place now for – I don't know – 15 to 20 years now, something like that. I have to do the math. No, closer to 15, I guess. Interestingly, it's such great thing, but no other province has replicated it. Why? Because it's an idiot idea. It's an idiot idea that ensures that the rich get richer and the poor get poorer.

Our flat-tax system means that people with average amounts of taxable income are paying more in taxes here in Alberta than people in B.C. do, than people in Ontario do, the two closest tax jurisdictions. So let's be very clear. The folks that are profiting off our flat-tax system are – well, let's see – everybody in this room. Just to be clear, all of us are profiting off the flat tax. Yay, me. I'm paying lower taxes than I would if I lived in B.C. or Ontario.

But let me say this: the members of AUPE, those hard-working public-sector workers, are paying more taxes in this province than they would if they lived in B.C. or Ontario. You know, as much as it's all great that I'm paying lower taxes, I don't think we should be governing for this little group here. I don't think we should be governing for the family. I think we should be governing for all Albertans. The majority of Albertans are not earning \$150,000 a year or more. Quite the opposite. When that is the case, we find that they are actually paying more taxes than they do in other parts of the country.

Interestingly, if we were to actually contribute to the public good, if we were to pay our fair share of taxes, if we were to introduce a progressive tax system in this province, then there would actually be more money. There would be more money in our coffers. We would not have to, quote, unquote, live within our means by beating up on some of the lowest paid public-sector

workers in this province. We would not have to do that. We would not have to break our promise to them. We would not have to breach constitutional law. We would not have to breach the International Labour Organization convention on human rights. We wouldn't have to do any of those horrible things. We could just give them a fair deal and improve our quality of life.

**Mr. Kang:** We would not have to borrow for our roads and bridges and schools.

**Ms Notley:** And we would not have to borrow for our roads and our bridges and schools. We might have to borrow a little bit over time, but there's no question that we would have more money to build our infrastructure, generally speaking, and we could grow a better province for everybody.

Someone in Alberta earning \$70,000 a year pays \$1,362 more in taxes than if they lived in B.C. and \$947 more in taxes than if they lived in Ontario. However, someone from Alberta earning \$1 million pays \$41,000 less in provincial income tax than in B.C. and \$82,000 less than if they lived in Ontario. Why is that, Mr. Chair?

**Dr. Swann:** That's the Alberta advantage.

**Ms Notley:** That's the Alberta advantage, the Alberta advantage for the really superwealthy. That is what we've got going on here.

If individual income in Alberta over \$150,000 was taxed at, say, just hypothetically – I'm just throwing this out there; I'm not proposing it, but I'm just throwing it out there so that people understand the numbers – 14 per cent, Alberta would bring in an additional \$700 million per year. Who knew? Now, I know that's chump change for these guys because you just found a billion dollars in your sock yesterday. However, that \$700 million would also be worth while, and it would ensure that we had the money to pay the employees of this government fairly. This would affect just over 6 per cent of Albertans, who make over \$150,000 per year. If we had the same top income bracket as Saskatchewan, which taxes all income over \$123,000 at 15 per cent, we would bring in over \$1 billion.

We could bring in even more if we had the same top income bracket as B.C., where high-income earners pay 14.7 per cent on everything they earn over \$104,000. Interesting. So wealthy B.C. people are paying more income tax, yet apparently they expect their economy to grow more than we expect ours to grow because they're prepared to share the proceeds of that growth with their staff whereas we are not. Apparently, the sky doesn't fall when you ask the wealthy to pay their fair share. I guess that is the summary that I could come up with.

Alberta also has the lowest corporate income tax rate in Canada, at only 10 per cent. Many provinces, including Alberta, have been cutting corporate income taxes while cutting vital public programs at the same time, like, for instance, the attempt by this government to take \$45 million away from people with developmental disabilities.

Alberta's corporate tax rate in the 1990s was 15.5 per cent, and in 2001 it was cut to 13.5, and then it was slowly cut to 10 per cent in 2006. If we were to increase our corporate tax rate to that used in Saskatchewan, at 12 per cent, we could bring in an additional billion dollars based on the \$5 billion being generated by the existing 10 per cent rate.

Again, it gets to this whole issue of living within our means. This government seems to think that "means" means: if we're superrich, let's keep all our dollars to ourselves, and that's our means. So our means are that everybody keeps their dollars in their back pocket. They don't contribute to community. They

don't contribute to well-funded, well-staffed long-term care centres. They don't contribute to more hospitals. They don't contribute to more schools. They don't contribute.

**The Chair:** Are there others? The hon. Member for Calgary-Mountain View.

**Dr. Swann:** Thank you very much, Mr. Chair, for another opportunity to, I guess, raise the fundamental questions about a bill that on the face of it is so clearly antidemocratic, anti human rights, against the very values that Canadians have stood for for decades. It, unfortunately, sends a message to our vital civil servants, the people that we work with every day in our offices, in our communities, who take care of our families, take care of the most vulnerable people in our society, ensure that we have stability in our roads, enforcement of rules, basically ensure that there is security around us every hour of every day, stand up in emergencies, care for the most vulnerable, volunteer because of the great willingness and desire to return a contribution to the public. We seem to be slapping them in the face both with Bill 45 and with Bill 46, which is not bargaining in good faith.

**10:20**

This is fundamentally a violation of the concept of bargaining in good faith. How anybody, any government can believe that they're going to make progress with this bill is beyond my understanding. This is a mature civilization. Communications are readily available. People understand human rights. They understand the role of unions and the rule of law and the role of government. You cannot slip this by without paying a price, and it appears that you're willing to do that for short-term financial gain.

Well, many of us can see the longer term. This is not only going to diminish your role in this province. You're going to diminish democratic values, democratic engagement, and public trust indefinitely, and frankly you're threatening your own possibility of re-election. Do you think people are going to forget this most fundamental threat to democratic rights, human rights, labour rights? Absolutely not. This is going to be on the lips, in the media, in the signs, in the workers' activity in the next campaign. You're going to pay a price for this.

The bill will be challenged as unconstitutional. It's been challenged three times nationally, and the Supreme Court has upheld the right to collective bargaining. Why would you push this when it's going to be so costly in human terms as well as financial terms? I would like each of you to step up and say that you will pay out of your pocket if this goes to a court challenge. That would demonstrate to me that you really believe what you're doing, but of course you won't. You'll let the public purse pay for your malfeasance.

Mr. Chairman, this is irresponsible governance, and surely Albertans will hold you accountable. If they can't hold you accountable financially, you will be held accountable politically. I recommend and I adjure you and I ask you seriously to withdraw this bill and the waste of taxpayer dollars fighting the Charter challenge that will result.

In 2007 the Supreme Court of Canada determined the right of workers to bargain collectively. It's under the Charter of Rights and Freedoms. Why would you take this step that violates not only your own commitment to uphold the laws of Canada – and this is a government that says that they will uphold the laws of Canada and that they will fine people who don't uphold the laws of Canada. Here they are violating one of the fundamentals of our society. The Supreme Court found that the Charter gives the same

protection as contained in the international labour conventions that Canada has already ratified.

To quote from the Canadian Union of Public Employees' national treasurer: "From now on, governments that interfere with freely negotiated collective agreements and the collective bargaining rights... must justify their actions against the protection provided by the Charter of Rights." That was a Supreme Court decision in 2007.

This is essentially, Mr. Chair, a high-stakes game of chicken, with public-sector workers standing to lose whether they return to the bargaining table or they have a wage settlement imposed on them. This is the beginning of, effectively, dismantling collective bargaining in Alberta and dismantling good will, dismantling trust and the notion of bargaining in good faith. This cannot benefit you. It cannot benefit Albertans. It certainly will not benefit our relationships with unionized folks.

Mr. Chair, I think it's very clear that in spite of our best efforts this government is not willing to listen to logic. They're not willing to listen to human rights legislation. They're not willing to listen to public opinion. They are doing this because they can. They have the power of a majority to do whatever they wish.

What they don't seem to have is the common sense to realize what a negative impact this is going to have on all of us, including the respect for government and the respect for the rule of law, which they say they want to uphold. It's a serious miscalculation and a double standard. This party on the other side wants to multiply the penalties for illegal action of unions, yet they're abusing their own power to now violate a fundamental commitment to free and fair negotiations with our unions.

The Minister of Finance says: oh, this is only one union. Well, of course, nobody believes that. If you can do it with this union, why wouldn't you do it with the next? Are we going to see a bill in this House every three months, every six months addressing an uncomfortable relationship with a union? This is an unnecessary and dangerous precedent that I think you should feel uncomfortable about. You should be willing to step back and say: in the interests of democracy, in the interests of responsible governance, we see the error in pushing this through, not only pushing it through with closure but pushing it through against the will of most Albertans. If we gave this some time, I think you'd recognize that Albertans don't support this kind of heavy-handed, circuitous management of a negotiation that doesn't seem to be going your way.

My comments are finished, Mr. Chair. I await the common sense and willingness to review, revise, and reconsider this what is a very profound shift, one that will be recognized for years by Albertans and certainly by the union members in this province, including many of the people in this building.

Thank you, Mr. Chair.

**The Chair:** Thank you, hon. member.

Are there others? The Member for Edmonton-Calder.

**Mr. Eggen:** Well, thank you, Mr. Chair. In an effort to leave no stone unturned, I just wanted to look more specifically at the features of Bill 46, of course the most egregious and obvious being section 2, which has the zeroes and the 1 per cents in year 3 and year 4. Of course, if we look at the cost-of-living index for the province of Alberta over the last five years or so, these are definitely adding up to, effectively, paid rollbacks and decreases, quite significant ones, in fact.

But the other side of this very small bill, really, is this lump-sum payment business. It talks about a lump-sum payment to the tune of \$875 but goes to great lengths to describe the exclusions,



the people that will not receive that lump-sum payment. It's interesting. As we go through these exclusions, I think you, Mr. Chair, will see a pattern of who exactly is being targeted here. It gives us, I guess, a glimpse as well as to the larger picture of the composition of our public service and the people that will be negatively affected here, right?

The lump-sum payment in section 3 excludes people on leave of absence and receiving workers' compensation benefits, people on leave of absence for long-term disability, including as well parental and adoption leave and maternity leave. I mean, you can see certainly, again, the large composition of women in the public service – right? – that are, of course, performing very essential familial duties in our society. In their absence we cease to exist as a society if we don't have children and look after those children. They are excluded by Bill 46 from getting their \$875, which is taxable, of course. I find that, again, to be regressive and small, reductive as well.

**10:30**

The lump-sum payment, finally, is not subject to the deduction and remittance of union dues under the article of the master agreement. Again, just that little dig always, if possible, to attack the very structure of the unions as well.

This is a section in this bill that has not been identified here so far, and I just wanted to bring it up, again, a sort of parsing and very surgical cutting of people from the lump-sum provision in Bill 46, and I don't think anybody wins from that, really.

It's interesting when we talk about broken promises and so forth. I think that this PC government quite rightfully reached out quite aggressively to public-service workers during the last election because they recognized that there were a lot of people there – right? – a lot of people that are over the age of 18 and can vote and so forth. During the last election they made great efforts to bring people over to vote for the PCs, yet now, suddenly, a few short months later, this is slapped right back at those same people, and they're forced to take a rollback in their wages.

I understand, in some fundamental way, what the Finance minister is trying to articulate. I know he's at heart a good person who believes in what he's doing. The fundamental belief that he ascribes to here, which I think is fair, is that he has to try to balance the books somehow. When we start to look at where we manage our finances, as the hon. Member for Edmonton-Strathcona started to point out here in her speech, when we balance the books, we have to make sure that we look at both our expenses and our revenues. It's very important at this juncture because these 24,000 or so public-service workers are certainly looking at this very clearly and can see the writing on the wall, so this government must do it, too. We must examine how we can receive fair royalties for our energy and other natural resources so that we can have a revised royalty framework that could go towards investing in the infrastructure we need for our growing population and to save for future generations as well.

I would venture to say, Mr. Chair, that we could do both and that the most important investment in infrastructure is in the people who populate our public service and make the literally thousands of different jobs, essential services, function properly here in the province. Everything from, as I say, park wardens to emergency responders to firefighters, forest firefighters, to people that work in the various ministries. Let's not forget that the people that you are targeting with Bill 46 are the very people that actually do the work for you in your ministries. It must be a little bit uncomfortable. They might nod their heads, turn their gazes away, but they know that they're getting the short stick from Bill 46 as much as anybody else is.

This whole notion of sacrifice and, "Oh, yeah, the people who I talk to are okay with it," well, you know, I don't think so. We all love to do our jobs, but you have to balance your family budget, too. Don't expect or think that people are happy with having to balance the budget of the provincial economy on the backs of civil service workers' wages. That's ridiculous. If you add up the numbers, the amount of money that we might save from 0, 0, 1, and 1 is nothing compared to the damage that you will do over the course of the next four years by imposing such draconian, arbitrarily legislated legislation that determines wages. Right?

People only do that, Mr. Chair, when they are in an economic crisis. Right? This government has manufactured an economic crisis. If you look at the total assets and actual income and the money that flows through the economy of the province of Alberta, this economic problem is almost entirely stemming from this very building and the adjacent buildings and ministries around here in Edmonton. It's got very little to do with the actual economy and very little to do with what is actually happening. To bring that back to the public service and try to pin that on their backs, to pin Bill 46 on them, is very, very callous and short sighted. As I say, the money that you might save from bringing forth the 0, 0, 1, and 1 will certainly be far outstripped by the damage, both economic and otherwise, from the bad will that you will create from this whole thing.

By making changes to Alberta's personal and corporate income taxes, this provincial government could bring in an additional \$2 billion per year and still be the lowest tax jurisdiction in the entire country. This would allow Alberta to invest in all the policy solutions for a real, for example, poverty reduction strategy presented in this report and with additional funds to invest in other important public services. The public services that we put on our platforms, the ones that we speak about in such glowing terms and such broad strokes, mean absolutely nothing if you don't have the people to actually carry out those things. Everything from child services to seniors' care to the various ministries and the environment: all of those things have absolutely no value unless you have professionals that are responsible for them. While we might be responsible in some macro way in this House, it's the people in the boots on the ground that actually get those jobs done.

We love to talk about the flood. We like to talk about all of the good work that we do around emergencies here in this province, and certainly it was a great moment in time. Something that we'll remember for the rest of our lives. But if you go and turn around and three or four months later cut the wages of the same people that you were lauding a few short months ago, well, you know, those tin medals and salutations with "good job," a slap on the back, and that sort of thing don't pay for the groceries, don't pay for the high cost of living here in this province.

Mr. Chairman, I certainly would like to see Bill 46 go. As I said before, it's not as though we are obliged to any of these things. It's not as though anybody is gaining any real currency from Bill 46. It's more like it came crashing through these doors and has just caused a great deal of ill will. When you have something like that, you have to evaluate it dispassionately, and I think the dispassionate, logical solution is to simply take a pause on both Bill 45 and Bill 46. We would all be the better for it. You know, we really don't need that kind of thing to move into these next two years. Right? There are too many important issues to deal with. We need to know that the civil service is stable.

Quite frankly, although it's not mentioned in here specifically – right? – this has a lot to do with nurses, too. It's like dominos. I know that you guys are playing a power game here with bringing up the teachers and the illusion that you gave them a contract that

they all happily agreed to and couldn't wait to sign on the dotted line.

I mean, that's anything but the truth, right? You'd played with the goodwill that you have with teachers. I saw that happen before when I was a teacher as well. They said: well, you can all take a 5 per cent cut, and it's for the children. Well, yeah. For sure it's for the children. As if. It's because the government mismanaged the economy so badly in the easiest place to manage the economy in the entire world that suddenly now, you know, teachers have to . . . [interjection] Yeah. The same grade 8s that I was teaching at the time could have managed the economy better, I'm sure. We're going to cut these teachers unless you take a 5 per cent cut.

10:40

Well, you know, I mean, you're playing off that goodwill, that sense of looking after the children. The same thing happens with Bill 46. People say: "Well, I work in this nursing home; I've got to look after these people. If we don't take a wage cut, then perhaps these seniors aren't going to get the thing that they need, right?" Playing off that goodwill doesn't last you long, and certainly the narrative of cuts and the necessity of cuts over these last number of months is entirely unnecessary.

I think that whenever we open labour law and labour legislation, you have to be very, very careful because there are so many unintended consequences that can take place, and we know that, in fact, a stable labour environment, with a good portion of people belonging to a union, actually helps to stabilize an economy over time. Here in this province more than 300,000 Albertans are in a union, and really all of the economic drivers of this economy, many of them, most of them, are in fact unionized. If they are not, then they are setting the standard by which the other industries reflect their wages.

Say, for example, Suncor, which is unionized, casts a very positive shadow over Fort McMurray and area and sets a level for wages that helps people in Fort McMurray enjoy some of the highest salaries that you will find anywhere in North America, right? Shaw, Telus, ATCO, Enmax do the same thing for their respective industries, and in fact you find, if you take that same model and compare it to other jurisdictions, that with a higher unionized population you'll end up with a much more stable and more diverse economy.

Let's not forget that if you take 24,000 union members and you're going to cut their wages here, what cities, what places, does that affect most? Edmonton, right? This is an attack on Edmonton. Edmonton has more civil service workers than other places. It's an attack on Edmonton's economy. It's an attack on Lethbridge's economy. It's an attack on the stable jobs in smaller centres that those local economies depend on, too. If you chose to do that – maybe it's unintended. I mean, I'm just telling you to help you guys. I want to help you out. You don't want to have unintended consequences. I know that sometimes in your brash sort of sweep of dominance you miss some of these things that can help you out in the end.

When you take that money out of the economy – that's what you do with 0, 0, 1, and 1 – it means that in Edmonton here there will be many tens of thousands of public service workers that will move down the slippery slope from middle class to lower middle class and so forth. They'll buy fewer things. They will, you know, go to fewer hockey games, buy fewer cars, and so forth.

**Ms Notley:** Well, I don't think they're going to too many hockey games.

**Mr. Eggen:** Well, I'm talking about junior hockey games, you know, modest hockey games. I hear that you can go to those other games if you mortgage your house to buy tickets. Right?

**Ms Notley:** Yes. Oh, yeah. Give all your money to them.

**Mr. Eggen:** Yeah. Exactly.

In conclusion, Mr. Chair, it's not as though we should try to create these class barriers and suggest that people who choose to unionize and build those structures to help protect themselves, not just for wages but for working conditions, for environmental conditions, and a whole range of benefits that organized labour has given us, not just now but throughout the entire history of the industrialized Western world – it's not as though you have to butt up against that and suggest that it's a liability. That's a simplistic way of looking at a society to try and somehow create winners and losers, enemies somehow, to make excuses for making decisions to move resources, including money and power, to a certain group that might be your friends. All people, in a unionized environment or not, outside, are all citizens anyway, and they all contribute. They all come from a wide part of the political spectrum. Don't think, you know: well, let's punish these people because they're all left-wing people anyway. I mean, Lord knows you have voters from every single party in the AUPE, so don't just look at them as though they're some kind of . . .

**Ms Notley:** I don't know how many voters for the Tories are in AUPE.

**Mr. Eggen:** Well, suddenly, yeah, the whole thing is all mixed up. But, I mean, that idea of simplistic analysis like that just doesn't work, right? So let's not punish the people that pave our roads. Let's not punish the people that look after our parks, that look after our children – right? – and our seniors. Let's not shortchange the centres of civil . . .

**The Chair:** Hon. member, I hesitate to interrupt you, but pursuant to Government Motion 53 the time for debate on this elapsed, and I will now put the question.

[The clauses of Bill 46 agreed to]

[Title and preamble agreed to]

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

**Some Hon. Members:** Agreed.

**The Chair:** Opposed?

**Some Hon. Members:** No.

[The voice vote indicated that the request to report Bill 46 carried]

[Several members rose calling for a division. The division bell was rung at 11:46 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Rogers in the chair]

For:		
Bhardwaj	Hancock	Oberle
Brown	Horner	Olesen
Calahasen	Hughes	Pastoor
Cao	Jansen	Rodney
Casey	Jeneroux	Sarich
Cusanelli	Kennedy-Glans	Scott

Dallas	Klimchuk	Starke
DeLong	Kubinec	VanderBurg
Denis	Lemke	Webber
Dorward	Leskiw	Woo-Paw
Fenske	Lukaszuk	Xiao
Fritz	McDonald	Young

**10:50**

Against:

Eggen	Kang	Stier
Fox	Notley	Swann
Hale	Rowe	

Totals: For – 36 Against – 8

[Request to report Bill 46 carried]

**Bill 28**  
**Modernizing Regional Governance Act**

**The Chair:** Amendment A1 is on the floor.

The hon. Member for Olds-Didsbury-Three Hills.

**Mr. Rowe:** Thank you, Mr. Chairman. It is indeed a pleasure to rise tonight and speak to this bill once more but this time in a much more positive tone. The last time we were in this Assembly debating it, I think it might be an understatement to say that my Wildrose colleagues and I had a few problems with the bill in its original form.

On that note, I do want to say thank you to the government for listening to us and, more importantly, listening to the local decision-makers that saw all kinds of problems with the original Bill 28. These are the folks that must be consulted first and foremost in decisions regarding municipalities and their governance. After all, the locally elected officials are the second level of government in this province, and the people on the ground like them know what's best for their respective communities better than any of us here in Edmonton do.

A consultation process with local officials is very important. Consultation is a vital step in the legislative process, and it is one that the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties have long asked for from this government. Principle 6 of the AUMA's 2009 policy statement on municipal governance is: "Amendments and changes to legislation and regulations relating to municipal governments shall only proceed when AUMA has actively participated and agreed, through meaningful input in a review process." This government must ensure that it continues to respect these major institutions, which represent elected municipal governments in Alberta.

The Wildrose Party fought hard to be the voice for municipalities and to listen to the feedback that we were getting from stakeholders. I'm pleased that this feedback was heard by the minister and then incorporated into the amendments. It will now be up to the participating municipalities to agree to a growth board structure they can live with. The key here is that participation in such boards is voluntary, which, by the way, was a word put forward by the people on this side of the Assembly. This means that the local officials will be empowered to put forward their own governance structures and make sure that a certain structure makes sense for their respective communities. The powers of the board, the exit terms, and the voting model will be decided by the bylaws, and the municipalities can choose to join or not.

With this bill going forward in its current form, I would be interested to know what the government's plan is regarding the funding model for these boards. Will the establishment of large boards result in less money for collaboration in other parts of the province? The implications of putting Bill 28 into effect raise questions of how the funding balance will shape out to be. So there are concerns that remain for me about funding, housing density requirements, and certain governance models that are not specifically addressed in the recent amendments except by assuming that they won't be onerous because the boards will now be voluntary. Depending on what the municipal leadership at the time of founding agrees to, the penalties or other conditions might make leaving a reasonable partnership too burdensome and leave a municipality at the mercy of its neighbours on these issues if it remains in a legislative lack of clarity. I hope these are the types of questions we can start to answer going forward.

Overall, I'm happy that strategic planning for municipalities has taken another step forward. I'm particularly happy that this can be accomplished through continued consultation and the voluntary nature of co-operation between municipalities.

Thank you, Mr. Chairman.

**The Chair:** Are there others speaking to Amendment A1? The hon. Member for Edmonton-Strathcona.

**Ms Notley:** Thank you, Mr. Chair. Well, you know, like the previous speaker, of course, we, too, in our caucus want to take some credit for this government's decision to put the brakes on and do a little bit of consultation. I do recall that, in fact, the Member for Edmonton-Beverly-Clareview raised this issue in the public through discussions with the media about some of the rather significant components of this bill that had not been discussed with anybody else.

While I appreciate that the minister has brought in this amendment, it is, unfortunately, a bit of an example of how this government operates, that they would think to bring in something like this, so substantial, without first consulting with organizations like the AUMA and AAMD and C and the others. It is part and parcel, as I've said before, of a government that's been around so long that they kind of think they're God, so they don't really feel that they need to actually sit and talk to anybody about what they're doing. That being said, though, I mean, obviously, they did go back and consult. There's no question, we've been advised at this point by our parties, that most people are relatively satisfied with this amendment, and they see it as having addressed some of the concerns that they raised, so that is a good thing.

There are a couple of pieces that we'd like to see improved slightly that we will bring forward in our own amendment. I believe the Member for Edmonton-Calder will be bringing that motion forward on behalf of the Member for Edmonton-Beverly-Clareview once this particular amendment is completed. However, I just wanted to say that we were pleased to have been able to play a leadership role in compelling this government to actually consult with their partners in the municipal sector before bringing in such heavy-handed legislation without first speaking to them. I feel that we were successful in doing our job as the opposition and leading the discussion in that regard.

I'm pleased that the minister has managed to rebuild some of those relationships and indeed come up with a plan that represents what I understand, as I said, to be a consensus, one amongst municipalities.

Thank you, Mr. Chair.

**The Chair:** The hon. Member for Calgary-Mountain View.

**Dr. Swann:** Thank you, Mr. Chair. I appreciate the opportunity to stand and speak to Bill 28, Modernizing Regional Governance Act. The bill has been renamed the Enabling Regional Growth Boards Act.

Further to the amendments proposed below in the outcome of the bill section, participation in any future growth management boards will now be voluntary. This is obviously progress given the rather violent reaction we saw among the municipalities based on the first iteration of this.

I think all members of the opposition were assailed by concerns from our colleagues in the municipalities regarding the rather heavy-handed and poorly planned initiation of this, which on the face of it has a lot of credibility. Clearly, we need to plan on a regional basis. It's long past the time when we can expect individual municipalities to do what is, essentially, a land-use plan and is needed within the loci of major urban centres. Obviously, as clear as that is the need to ensure voluntary involvement and proper consultation, with a minimum, I guess, of heavy-handed enforcement that this government initially communicated largely due to the lack of consultation, in which they would have heard and respected some of the important local autonomy and important roles of these independently elected and equal-status governments to ours at the provincial level.

**11:00**

The government has now amended the enforcement provisions to ensure that penalties are focused on organizations rather than individuals and on fines rather than imprisonment, a shocking omission in the first iteration. It's now also amended the bill to require management boards to develop and implement their own appeal process, again eminently sensible. We support, of course, regional planning, and we also do not believe that regional plans need to be legislated at the provincial level. These are all sensible new provisions that I think will probably enable most of us to support this next iteration, subject to more consultation with the councils of the municipalities.

We definitely want to see growth management boards incorporated into the Municipal Government Act. We're looking to support an ongoing process in which there is meaningful dialogue, integration of a land-use planning framework, a responsible and respectful relationship between the provincial Municipal Affairs department and the municipalities. Certainly, a softening of some of those penalty clauses that were in the initial iteration I think is going to go a long way in building appropriate relationships with our municipal governments.

The destruction of some of the earlier municipal planning councils under Mr. Klein left a tremendous void in terms of our ability to plan regionally for transportation, conservation, recreation, water management, and adequate constructive relationships between the major municipalities and the surrounding areas. It is continuing to be a problem for all of us as we see environmental impacts and inefficient transportation corridors and conflicts resulting. I would hope that we can get full buy-in from the municipal governments across the board and that we will not see the kind of destructive relationships that have been resulting in a stalemate in both the Calgary regions and the Edmonton regions as a result of this innovation and changes to this act.

So, Mr. Chair, I'm pleased to offer my support to this bill subject to the approval by the councils in this province, but from my point of view it goes a long way to extending the appropriate balance between

provincial and municipal governments and the need for action at the regional level surrounding some of the major municipalities.

Thank you, Mr. Chair.

**The Chair:** Thank you, hon. member.  
Are there others?

**Hon. Members:** Question.

**The Chair:** The question has been called. Hon. members, it was agreed when this amendment was introduced that the vote would be on each segment, as in A1A, A1B, A1C, and so on. So I will be calling the vote in that manner.

[Motion on amendment A1A carried]

[Motion on amendment A1B carried]

[Motion on amendment A1C carried]

[Motion on amendment A1D carried]

[The remaining clauses of Bill 28 agreed to]

[Title and preamble agreed to]

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

**Hon. Members:** Agreed.

**The Chair:** Opposed? That is carried.  
The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Chair. I'd move that the committee now rise and report bills 45, 46, and 28.

[Motion carried]

[The Deputy Speaker in the chair]

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

**Mr. Bhardwaj:** Thank you very much, Mr. Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports the following bills: Bill 45, Bill 46. The committee reports the following bill with some amendments: Bill 28. Mr. Speaker, I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

**The Deputy Speaker:** Thank you hon. member.  
Does the Assembly concur in the report? Agreed?

**Hon. Members:** Agreed.

**The Deputy Speaker:** Opposed? So ordered.

**11:10**

## Government Motions

### Adjournment of Fall Session

41. Mr. Hancock moved:  
Be it resolved that pursuant to Standing Order 3(9) the 2013 fall sitting of the Assembly shall stand adjourned upon the Government House Leader advising the Assembly that the business for the sitting is concluded.

**The Deputy Speaker:** Hon. members, this motion is not debatable.

[Government Motion 41 carried]

**The Deputy Speaker:** The hon. Government House Leader.

**Select Special Ethics Commissioner  
Search Committee**

55. Mr. Hancock moved:

Be it resolved that:

- (1) A Select Special Ethics Commissioner Search Committee of the Legislative Assembly be appointed consisting of the following members, namely Mr. Rogers, chair; Mr. Quadri, deputy chair; Ms Blake-man; Mr. Eggen; Mr. Goudreau; Mr. Lemke; Mrs. Leskiw; Mr. McDonald; and Mr. Saskiw, for the purpose of inviting applications for the position of Ethics Commissioner and to recommend to the Assembly the applicant it considers most suitable to this position.
- (2) Reasonable disbursements by the committee for advertising, staff assistance, equipment and supplies, rent, travel, and other expenditures necessary for the effective conduct of its responsibilities shall be paid, subject to the approval of the chair.
- (3) In carrying out its responsibilities, the committee may with the concurrence of the head of the department utilize the services of members of the public service employed in that department and of the staff employed by the Assembly.
- (4) The committee may without leave of the Assembly sit during a period when the Assembly is adjourned or prorogued and may continue performing its work in a subsequent session of the Assembly.
- (5) When its work has been completed, the committee shall report to the Assembly if it is sitting, but during a period when the Assembly is adjourned or prorogued, the committee may release its report by depositing a copy with the Clerk and forwarding a copy to each member of the Assembly.

**Mr. Hancock:** Thank you, Mr. Speaker. As the Ethics Commissioner has advised the standing committee of his intention to not seek renewal but agreed to stay on for six months while the search is conducted, it's necessary for the House to set up a select special Ethics Commissioner search committee.

**The Deputy Speaker:** Thank you, hon. Government House Leader.

Hon. members, this motion is debatable. I recognize the hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you, Mr. Speaker. I'll just be very brief. I think what's important when you have important committees like this, particularly with the appointment of an Ethics Commissioner, is that you have proper representation from the respective parties. If you look at the number here, the proportions of caucus, we have 17 members on this side, yet we're only having one representative on this particular committee. It seems from the outset that this government is stacking the committee with members of their political party. That has no congruence with the proportion of representation in this Assembly. I'd just ask the Government House Leader why he wouldn't compose these committees based on some type of proportion instead of just stacking it one way.

The second point I'd make is that on committees like this it would be a nice change to have either the chair or the deputy chair be from the opposition. Obviously, there's a majority on the committee that belongs to the governing party, so why not have

some type of balance on the chair positions? It just seems that they're stacking it right off the bat.

Thank you, Mr. Speaker.

**The Deputy Speaker:** Thank you, hon. member.

**Ms Notley:** Well, I really want to thank the Member for Lac La Biche-St. Paul-Two Hills for raising that point because it was one that occurred to me as well when I looked at that.

You know, Mr. Speaker, we have not had a particularly stellar history in the last little while with respect to some of our officers and with respect to the level of confidence enjoyed by those officers from certain members of this House. [interjections]

**The Deputy Speaker:** Hon. members, please.

**Ms Notley:** The fact of the matter is that part of the reason for that problem, the problem that originated all along, is that we have the situation where we have a gross majority of government members on one side of the House on a particular committee, and then they tend to vote as a bloc.

Now, I will say that I've been involved in some selection processes. In the last term, from 2008-2012, I sat in on the selection of all officers. There were a couple of them where I believed that we absolutely reached the best decision. We worked collaboratively, and there were some very good choices. Those officers, you know, are without reproach. But it has not been smooth sailing, and I don't think I am coming up with anything that people in this House are not aware of.

If we wanted to move forward in a more effective way, we would have more balance on this committee. I think that the failure of the government to suggest or to include more balance on this committee is just setting the table for additional problems in the future, Mr. Speaker. It's unfortunate. It is just not the best move forward. This particular position is one that governs the conduct of all members of this House, yet the proportion of people that will be involved in the selection is weighted in a way that is not reflective of our numbers for government members of the House. As it is, the fact of the matter is that government members of this House and particularly members of Executive Council are the ones whose conduct must be subjected to the greatest amount of scrutiny under our conflict legislation because they are the ones who have the greatest authority and exercise the greatest power. It is unfortunate, then, that we don't have more balance in terms of this committee.

Thank you, Mr. Speaker.

**The Deputy Speaker:** Thank you, hon. member.

Standing Order 29(2)(a) is available.

Seeing none, I'll recognize the hon. Minister of Justice and Solicitor General.

**Mr. Denis:** Thank you very much, Mr. Speaker. I have a few comments here. First off, I'm not sure which officer of the Legislature the Member for Edmonton-Strathcona was speaking negatively about. I wish she would have mentioned.

Interestingly enough, though, the comment I wanted to make to you, Mr. Speaker, is that this committee would have six government members on it and three opposition members. This is the same composition as the select committee to choose the Chief Electoral Officer, and we received a lot of positive comments about that from both sides of the House, but it's the same composition. I'm at an absolute loss as to why we're now getting negative things on the same one.

**Ms Notley:** Get over it.

**Mr. Denis:** I keep getting heckled here by Edmonton-Strathcona, but I'm going to keep talking.

What is perhaps most poignant to me at this late hour, Mr. Speaker, is that if you look at the composition of this House, 32 per cent of this House is comprised of members of various opposition parties. Interestingly enough, six government members and three opposition members would give a 33 per cent composition of opposition members on this committee. Almost exactly equal to the composition of this House is the number of opposition members on this particular committee. So I'm at a loss as to what the complaint is from either of the last two speakers.

I will be voting in favour of this motion, and I hope to see at least one member of the opposition vote in favour given the actual equity we have on this committee. Thank you.

**The Deputy Speaker:** Thank you, hon. minister.

Standing Order 29(2)(a) is available. The hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you, Mr. Speaker. I guess I have a question for the Justice minister. The question is: don't you think that on some of these committees a good way to do things would be actually to have either the chair or the deputy chair be a member of the opposition, just to provide a little bit of balance in this process? Just a suggestion.

**Mr. Denis:** Well, Mr. Speaker, we already do have balance. As I mentioned, 32 per cent of this House are opposition members, and 33 per cent of this committee are opposition members. The question that I have, though, is: if the Member for Lac La Biche-St. Paul-Two Hills were the chair of the committee, would that not give him less power? As the chair you're only allowed to vote under the standing orders in the event that there is an actual tie. This member, in effect, is arguing for less representation from the opposition, which just bewilders me.

**The Deputy Speaker:** Are there others under 29(2)(a)? The hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you, Mr. Speaker. I guess, you know, that if the Justice minister is offering that the chair of this committee be provided to the opposition, we'd gladly take it. If you're putting forward an amendment that would allow an opposition member to be the chair, we'd most welcome that.

**The Deputy Speaker:** Are there others under 29(2)(a)?  
Seeing none, I'll call the question.

[Government Motion 55 carried]

## Government Bills and Orders

### Second Reading

#### Bill 42

### Securities Amendment Act, 2013

[Adjourned debate December 2: Mr. Horner]

**The Deputy Speaker:** Any speakers? The hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you, Mr. Speaker. I'm glad to rise today to speak to Bill 42. Of course, unlike other jurisdictions, jurisdiction over securities in Canada is done through the provinces, and this

allows the provinces to react as needed to special situations that arise in provincial capital markets.

Capital markets are international, and provinces can't go to the international stage to negotiate common rules and regulations concerning investments and, in this case, specifically derivatives. This means provinces have a responsibility to move quickly to implement these international standards when they are negotiated by our federal counterparts and work well for our provincial capital markets.

**11:20**

In 2009 the leaders of the G-20 committed to a comprehensive reform agenda dealing with the systematic risk in the international derivatives market. These commitments are being turned into regulations established collaboratively with all provincial security regulators across the country through the Canadian Securities Administrators. Bill 42 will grant the authority to the Alberta Securities Commission, the ASC, to implement these new CSA regulations when they are finalized.

This is a perfect example of how the Canadian system of provincial jurisdiction over security regulations can work in the international marketplace. Bill 42 will allow the ASC to appoint trade repositories. This is a much-needed measure, Mr. Speaker. Now over-the-counter derivatives will be reported to trade repositories, thereby eliminating systematic risk. No longer will corporations be able to hide through their vicarious financial positions created by different contracts. Bill 42 also updates definitions regarding derivatives, which, of course, change quite regularly over time. The use of the term "exchange contract" deals with some of the complexity of the modern-day derivatives.

Mr. Speaker, we look forward to debating this bill in Committee of the Whole, potentially putting forward amendments. At this stage we're cautiously optimistic about the intent of this bill, and we look forward to debating it further.

Thank you, Mr. Speaker.

**The Deputy Speaker:** Thank you, hon. member.

Are there other speakers? The hon. Member for Edmonton-Strathcona.

**Ms Notley:** Thank you, Mr. Speaker. This is a bill where, in terms of what it does, we too are cautiously optimistic. Generally speaking, we would suggest that it does not go far enough and that, of course, it is being put in place because our province continues to resist efforts to work towards participating in a national regulatory system. That being the case, we know that this is positive in that at least what it does is that it attempts to provide greater regulations around over-the-counter derivative trades.

Derivatives, as we know, played a large role in the 2008 global financial crisis because they were not adequately regulated. Bad debts were bundled into securities, which were bought by investors without the ability to know what was underlying those securities. It was difficult for investors to have access to enough information to know in what they were actually investing, and no one was providing adequate oversight because there were enormous regulatory gaps. Because most derivatives were traded over the counter, meaning not traded through exchanges, there was even less oversight. Therefore, this bill is a positive step towards increasing transparency and investor protection in the ever-growing derivatives market.

However, the same deficiencies that exist in securities regulations as a whole in this province will continue until those deficiencies are addressed. For example, derivatives will still now be regulated similarly to most other securities and are still subject

to some exemptions which are outdated or not working properly. For instance, when were the thresholds for the accredited investor exemption last updated? A net income of \$200,000 is not that rare or high anymore.

As a result, this is a move forward, but it does not – well, it just is a move forward. Let's say that. I think that increased regulation of derivatives is commendable, and it will actually assist both traders and investors with better transparency, certainty, and protection.

I would say, however, as well that the fact that we are doing this does indicate, of course, that the government has not changed its position of resisting moving towards a national regulator. Of those states which currently regulate securities out there in the world, the only other country outside of Canada without a national securities regulator is Bosnia and Herzegovina.

As it stands, B.C., Ontario, and the federal government are going to be entering into a co-operative regulatory system, and we're going to be left out. So the need for this particular legislation perfectly illustrates the absurdity of continuing on without a national regulator. We have to keep wasting government time and resources or those of the Alberta Securities Commission in updating legislation and harmonizing with other jurisdictions across the country, something that we don't do entirely and appropriately. If we had a national regulator, all of that time and resources could be better spent on enforcement and investigation to better protect Alberta's investors.

Capital markets are increasingly integrated and increasingly global. It's inefficient and in many cases impossible for a provincial regulator to handle these complexities. Overall, then, we would think that it would be better to move towards a national regulator.

We know that as a whole Canadians lose billions of dollars a year to securities fraud, and reports put it at an estimated \$2.1 billion loss just for Albertans alone. It appears that at this point our provincial regulator just isn't strong enough to prevent this type of thing from happening. There are countless examples out there like the Harvest Group, facing a half a billion dollar class action suit after bad real estate ventures; Platinum Equities, which took \$51 million from Albertans; or Shire International Real Estate Investment, a \$20 million fraud. In many of these cases, the provincial regulator took action but only after the fact due to wide exemptions on who has to register and report under our security laws.

A strong national regulator could protect Albertans from these types of scams in a way that the provincial government seems reluctant to lest stronger rules and fewer exemptions mean slightly more paperwork for some companies. We think that government should be putting their focus on that kind of measure, finally getting a national regulator up and running after a decade of talk, rather than all the focus we've had this far on attacking working Albertans.

Those are our general comments on this piece of legislation thus far. Thank you, Mr. Speaker.

**The Deputy Speaker:** Thank you, hon. member.

Standing Order 29(2)(a) is available.

Seeing none, I'll recognize the Member for Calgary-McCall.

**Mr. Kang:** Thank you, Mr. Speaker. I also am glad to rise and speak to Bill 42, Securities Amendment Act, 2013. Prior to the 2007-2008 global financial crisis the market for so-called over-the-counter, OTC, derivatives was largely unregulated. As such, countless OTC derivatives transactions occurred, completely invisible to the securities regulator. It is the invisibility of such

financial transactions and failure to properly clear and record them that contributed heavily to the market collapse. In response to the economic crisis the leaders of the G-20 nations met in Washington, DC, in November 2008 for a summit on the financial market and the world economy.

Following that summit, the G-20 issued a formal declaration calling for common principles for reform of financial markets, including the regulation of derivatives. In the ensuing period there has been considerable and ongoing regulatory reform of OTC derivatives around the world. Since Canada, unlike most other countries, has a decentralized security regulatory system, it must rely on its provincial governments to enact legislation providing for increased oversight and regulation of OTC derivatives through individual provincial security regulators. Bill 42 represents Alberta's attempt to comply with the G-20 declaration.

This bill will define what a derivative is and provide the Alberta Securities Commission with the authority to regulate OTC derivatives and the people involved in such financial transactions. It will also define what a clearing agency is and provide the Alberta Securities Commission with the authority to mandate that the OTC derivatives transactions must be cleared through a commission-recognized clearing agency or central counterparty.

It also defines what a trade repository is and provides the Alberta Securities Commission with authority to mandate that OTC derivatives transactions must be recorded in a commission-recognized trade repository. It stipulates that no person or company shall carry on business as a trade repository in Alberta unless the person or company is recognized by the Alberta Securities Commission as a trade repository.

### 11:30

References to "exchange contract laws" will be replaced by "derivatives laws," and reference to "exchange contracts" will be replaced by "derivatives."

It authorizes the executive director of the Alberta Securities Commission to provide information to and receive information from other securities or financial regulatory authorities, trade repositories, clearing agencies, alternative trading systems, credit-rating agencies, exchanges, self-regulatory bodies or organizations, law enforcement agencies and other governmental or regulatory authorities in Canada and elsewhere, and any other agency or entity as determined by the regulation.

No one likes unnecessary bureaucracy or red tape, Mr. Speaker, but the global financial crisis is a perfect example of what can happen when the needed regulatory oversight is weak or nonexistent. Market integrity and transparency are significant improvements when OTC derivatives transactions are subject to centralized clearing. Also, the market trend is moving in this direction, so it makes complete sense for Alberta to adopt this as well. Regulation of OTC derivatives transactions should make another global financial crisis less likely or at least enable regulators to deal with the crisis more effectively.

Overall this is a good bill, Mr. Speaker, and I'm going to support this bill. Thank you.

**The Deputy Speaker:** Thank you, hon. member.

Standing Order 29(2)(a) is available.

Seeing none, other speakers?

The hon. minister to close debate?

**Hon. Members:** Question.

**The Deputy Speaker:** I'll call the question.

[Motion carried; Bill 42 read a second time]

**Government Bills and Orders**  
**Committee of the Whole**  
*(continued)*

[Mr. Rogers in the chair]

**Bill 44**  
**Notaries and Commissioners Act**

**The Chair:** The hon. Member for Sherwood Park.

**Ms Olesen:** Thank you, Mr. Chairman. This bill updates the language in the legislation, consolidates the two acts into one, provides provision for a code of conduct, outlines appropriate behaviour for individuals in carrying out their duties. This bill will serve Albertans well.

**The Chair:** Okay. Are there other speakers?

**Ms Notley:** I hate to disappoint everyone, but come on, people. Really?

Okay. So, listen. We've had some folks in our office do a little bit of research on this, and I have some genuine questions for the minister on this because there are some legitimate and important questions arising from this piece of legislation as it relates to notaries public.

Now, we know that notaries public and commissioners do good work. They have important roles in our communities, and the work that they do is critical for a lot of the work that goes on in these communities. So we absolutely agree that it's important to regulate this group in the public interest. We also agree that it's good that we're consolidating the Notaries Public Act and the Commissioners for Oaths Act. That's also a good thing. Thumbs up on that.

The concern, though, is that it seems that it goes beyond simply consolidating the two and creating a consistent set of rules. It also seems to go fairly far in setting a whole new level of requirements for notaries and commissioners and then at the same time handing an enormous amount of discretion to the minister over regulations and even day-to-day activity of the notaries' affairs.

One of the concerns that I have is that what we're doing here is potentially putting such an onus of responsibility and such a set of demands on notaries and commissioners that we are effectively managing them in a way that is similar in some ways to the way we manage lawyers. Yet, of course, these parties don't charge anything like that. So the question becomes: do we run the risk of putting a bunch of them out of business? Do we run the risk of driving up their fees at a time when we already have a serious access-to-justice problem in this province? That is the question.

I'm not asserting that as a truth. I'm genuinely asking that as a question because I believe that we've had some contact from people who are within the notaries and commissioners community who are concerned about this bill, and these are some of the questions that they have raised. I won't purport to know enough about the matter to be able to answer those questions, but I am putting those to the minister.

One of the things that people asked us was: why was there no consideration, instead, to introduce a model that is more similar to British Columbia's, where they are regulated by a society of notaries public and they kind of do their own sort of self-regulation? It's more of a self-regulation body. There's not the similar kind of being subject to the ministerial discretion.

As well, B.C. notaries exercise more power in that province. Of course, as a result, this aids in access to justice because, of course, they're much less expensive than lawyers. I'm wondering why it

is that we wouldn't have been working with them to see where we could expand some of the roles they could play in order to provide greater ease of access to some of the more manageable roles that otherwise are filled by lawyers, and then we're in a situation where we don't have enough lawyers and costs are too great. So that's a question. I don't know if there were consultations with that group, if there were consultations with the Law Society. I don't know, but I certainly do have those questions.

The ministry has also changed the powers that used to be available for all notaries so that only lawyers and judges can now notarize deeds, contracts, and commercial instruments. These even include those issued or prepared by judges or lawyers in respect of which judges or lawyers have otherwise provided legal advice. Again, this seems to be moving powers and roles and work away from commissioners and notaries to lawyers, which, again, is going to result in greater workloads for lawyers and, of course, greater costs to citizens. It's always been the case that if you need legal advice or contract interpretation, you need to see a lawyer. If you need a document notarized, you can go to see a notary, and that is cheaper and faster.

The bill also hands the minister an enormous amount of discretion in that he can now establish a code of conduct through regulations and issues governing the duties and the conduct of the notaries public. I'm just curious as to what plans the minister has with respect to how he will go about establishing that code of conduct. How will it differ from the current sort of booklets and guidelines that are provided for notaries and commissioners? What level of consultation will occur with notaries and commissioners? What changes does he see happening with respect to that code of conduct? That is another question.

As well, the minister may also through this new legislation refuse an application or suspend or revoke the appointment of any notary public for a number of reasons, including certain types of charges – I assume that's under the Criminal Code – when the minister considers it appropriate to do so. That seems like a great deal of discretion. Of course, we all know there's a difference between being charged and convicted. My question is: why would that be when there are charges and not postconviction?

Even more troubling is that a decision by the minister under the section is entirely final, so there's no appeal for the notary or commissioner. Of course, this has a huge impact on their way of life, their actual ability to do their job. So you essentially end up potentially disqualifying them from being able to do their job and earn a living. That's a fairly significant power that the minister is giving to himself with not a lot of parameters around how it will be exercised nor any mechanism for appealing it.

**11:40**

Another other drafting problem that has been identified by some people in our consultations is the definition of a lawyer. The language is similar to previous legislation, but the act has added the line: "has not been suspended or disbarred." This language isn't clear. Once a suspended lawyer is reinstated, is he or she then again able to regain their status as a notary public or commissioner, or are they now forever unable to function as a notary public or commissioner? It's not clear in the way the language is drafted in this piece of legislation.

The language of the previous legislation was far clearer in stating that members could not exercise the powers of a notary public while membership or registration is suspended. Obviously, in that case the implication was that if the membership or registration suspension was lifted, then the ability to exercise the powers of the notary public could be reinstated.



There are classes of members of the Law Society who are not active and practising members, lawyers who are not active and practising who nonetheless retain their status as members, myself included, actually. They're not entitled to practise law or provide legal advice, and they are not covered by insurance, but they can still act as notaries or commissioners.

The provisions requiring lawyers to notarize certain documents, deeds, contracts, and commercial instruments rely on this definition. There's a discrepancy in the bill in terms of who is qualified to perform those particular notary services. I ask solely for the purpose of making sure that I don't accidentally notarize something I shouldn't because it's not clear in the drafting of the legislation.

In drafting the definitions as you did, did you intend to include nonactive members of the Law Society amongst those with the ability to notarize deeds, contracts, and commercial instruments? As drafted the language is somewhat unclear.

Those are, I think, the sum total of my observations, questions, and concerns, and I'd certainly be happy to hear any response that the minister might be able to provide on that.

Thank you.

**The Chair:** The hon. Minister of Justice and Solicitor General.

**Mr. Denis:** Thank you very much, Mr. Chair, and I thank the Member for Edmonton-Strathcona for her comments, particularly the positive comments she had at the beginning. I have been jotting down just some of her comments that I can respond to, and if I'm missing a few, perhaps we can have an offline conversation, I would suggest, as well. [interjections] It's getting too late, Mr. Chair. It's just getting too late.

First off, the member is quite correct that notaries and commissioners are not the same as lawyers. First off, commissioners are able to witness and swear documents for internal use in the province of Alberta only. Interestingly enough, Mr. Chair, any individual who is appointed a commissioner can actually just be appointed by reading the pamphlet as provided. That can happen just by satisfying himself or herself to a practising lawyer that he or she understands the requirements of a commissioner. I respectfully say that commissioners are necessary to run our whole legal system, but at the same time I don't know of anyone who makes a living just as a commissioner.

Notaries public, of course, can copy documents. You can witness documents that go outside of the province. It is a much higher appointment. These individuals are appointed not by me personally as the Minister of Justice but, rather, by the Notaries Public Review Committee. That's designed, Mr. Chair, to provide some objectivity and just to avoid political interference for the whole item.

The member also mentioned the talk of a code of conduct. Currently, Mr. Chair, there is no code of conduct whatsoever – none – for notaries or commissioners. I will respectfully submit that bringing in a code of conduct with some discipline is a step forward. Now, the sitting minister does have the authority under the current legislation to remove somebody's commission or to remove somebody's notary public designation with cause. I respectfully submit to that member that having a code of conduct is a positive step forward because it enables the minister to go and suspend someone instead of just saying, "Oops, you're gone" if there's any further investigation. Also, the code of conduct specifies exactly what a notary or a commissioner is expected to do.

The member also mentioned the example of British Columbia. She is quite correct, though, that B.C. does have a very different paradigm for notaries public. It is a self-governing profession

there. For example, I remember from my past law practice that if you are purchasing a property in B.C., you don't actually have to go to a lawyer. You can go to a notary. To change that in Alberta would require significant changes to our land titles system, the Law of Property Act, for example, and that's not being contemplated at this time, specifically not by this legislation.

The member also mentioned the issue of access to justice, and that's a passion of mine as well. The one difference between talking to a practising lawyer, Mr. Chair, versus a notary in Alberta is that if you're talking to a practising lawyer and getting advice on a particular contract or deed, there's a consumer protection mechanism in there already, and that's called the Alberta Lawyers Insurance Association, otherwise known as ALIA. If you come to me, and I somehow give you improper advice – guess what? – you have a mechanism to claim back for your losses against this insurance fund whereas if you just go to a lay notary public and you were getting advice, you don't have that same type of protection. That's why we're moving to restrict the powers of notaries public and commissioners for oaths. It is consumer protection.

The member also mentioned a reference to lawyers, specifically if a lawyer is disbarred or suspended. That, again, is handled by the Law Society of Alberta, which is a fully self-governing profession of over 9,000 lawyers in this province. We felt that if a lawyer is disbarred – guess what? – you're not a lawyer. You shouldn't be doing items such as notarizations that you wouldn't otherwise be entitled to do. If you're suspended, that also could have an effect as well. I think that would be the intention of the self-governing body being the Law Society.

All in all, Mr. Chair, I do think that this piece of legislation does improve people's rights from a consumer protection standpoint, but it also clarifies the conduct that we expect of notaries public and commissioners for oaths. I'm sure I'm missing some of the member's comments here, but I'm happy to chat with her if she wants to send me a letter, or we could discuss it later as well. I always reply to your letters.

**The Chair:** Are there others? The hon. Member for Calgary-Mackay-Nose Hill.

**Dr. Brown:** Thank you, Mr. Chairman. I have a very brief question here, and I'd like some clarification from either the Minister of Justice or the Member for Sherwood Park. I'd like to know: what is the appropriate section for the declaration of a notarial certificate under a guarantees acknowledgement? Would it fall under 4(1) or 4(2)? In other words, is it considered to be a deed, contract, or commercial instrument, or is it simply an attestation, an affirmation, a declaration, or whatever? I'd just like clarification on whether or not you need to be a lawyer in order to do a guarantees acknowledgement certificate?

**The Chair:** The hon. Minister of Justice.

**Mr. Denis:** Thank you very much. I appreciate that member's comment. It is the intention of the legislation that attestation for a guarantees acknowledgement certificate, which is typically to guarantee the debt of a third party, be done before a lawyer. The reason for that is because if you look back many years in our jurisprudence in this province, there's always been that protection, just to ensure that a person knows that they are held fully responsible for the debt of another by executing or attesting, as this member quite correctly indicates, the guarantees acknowledgement certificate.

Interestingly enough, Mr. Chair, in the past there has been a \$5 maximum fee upon this. Some people have ignored this. Some

people have seen a way to go around this. I think that for a \$5 fee you may have a difficult time finding a practitioner to do this, so I think that that should be between the particular individual, the customer, and the practitioner in accordance with the principles of the free market.

**The Chair:** Thank you, hon. minister.

Are there others? The hon. Member for Calgary-McCall.

11:50

**Mr. Kang:** Thank you, Mr. Chair. I also have a question for the minister. The government is implying that the section on publishing suspensions on notaries public has not been vetted for compliance with FOIP, or vetting has not been completed. Briefing notes from the minister's office state that we may need to add a provision so that the collection, use, and disclosure of information regarding conduct and discipline reflect the current FOIP requirement for enactment.

Under sections 11 and 23 a new ministerial power will give the ability to suspend notaries public and commissioners for oaths. The government believes that this will allow more flexibility in the discipline process before revocation. Sections 11 and 23 also allow for the nonmandatory publication of suspensions if the minister deems it to be in the public interest. The question is: can the government confirm whether Bill 44 is compliant with the FOIP Act, particularly the section on publishing suspensions?

**The Chair:** The hon. Minister of Justice.

**Mr. Denis:** Thank you very much, Mr. Chair. First off, I do appreciate the member's comments in this case. Right now the status quo is that if we don't go ahead with this particular amendment, the only option that the minister has is to revoke somebody's power.

I believe that my office has spoken to the office of the Information and Privacy Commissioner, and I do not believe that this falls afoul of any particular legislation because it is statutory, in my recollection. However, I will undertake to review my records in the morning as it is a little late and my memory may be a little foggy.

**The Chair:** Thank you.

Are there others?

Seeing none, I'll call the question.

[The clauses of Bill 44 agreed to]

[Title and preamble agreed to]

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

**Hon. Members:** Agreed.

**The Chair:** Opposed? That is carried.

The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Chairman. I would move that the committee rise and report Bill 44.

[Motion carried]

[The Deputy Speaker in the chair]

**Ms Kennedy-Glans:** Mr. Speaker, the Committee of the Whole has had under consideration a certain bill and reports on Bill 44. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

**The Deputy Speaker:** Thank you, hon. member.

Does the Assembly concur in the report? Agreed?

**Hon. Members:** Agreed.

**The Deputy Speaker:** Opposed? So ordered.

The hon. Government House Leader.

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

[Motion carried; the Assembly adjourned at 11:54 p.m. to Wednesday at 1:30 p.m.]

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