



Province of Alberta

The 29th Legislature
Fourth Session

Alberta Hansard

Monday evening, December 3, 2018

Day 57

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta

The 29th Legislature

Fourth Session

Wanner, Hon. Robert E., Medicine Hat (NDP), Speaker

Jabbour, Deborah C., Peace River (NDP), Deputy Speaker and Chair of Committees

Sweet, Heather, Edmonton-Manning (NDP), Deputy Chair of Committees

Aheer, Leela Sharon, Chestermere-Rocky View (UCP),

Deputy Leader of the Official Opposition

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Anderson, Wayne, Highwood (UCP)

Babcock, Erin D., Stony Plain (NDP)

Barnes, Drew, Cypress-Medicine Hat (UCP)

Bilous, Hon. Deron, Edmonton-Beverly-Clareview (NDP)

Carlier, Hon. Oneil, Whitecourt-Ste. Anne (NDP)

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Ceci, Hon. Joe, Calgary-Fort (NDP)

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Alberta Party Opposition House Leader

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New Democratic: 53 United Conservative: 26 Alberta Party: 3 Alberta Liberal: 1 Freedom Conservative: 1 Independent: 2 Progressive Conservative: 1

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Legislative Assembly of Alberta

7:30 p.m.

Monday, December 3, 2018

[Ms Sweet in the chair]

The Acting Speaker: Good evening. Please be seated.

Government Motions

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

Ethics Commissioner

34. Larivee moved on behalf of Mr. Mason:
Be it resolved that the Legislative Assembly concur in the report of the Standing Committee on Legislative Offices tabled on November 7, 2018, Sessional Paper 353/2018, and recommend to the Lieutenant Governor in Council that the Hon. Marguerite Trussler be reappointed Ethics Commissioner for a term to expire on May 25, 2024.

Larivee: Thank you, Madam Speaker.

The Acting Speaker: Thank you.

Anybody wishing to speak? The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Thank you very much, Madam Chair – Speaker. Sorry. We'll get to Madam Chair a little later tonight. I will also rise on behalf of the opposition caucus in regard to this motion from the Government House Leader and indicate our support for the reappointment of Justice Trussler as Ethics Commissioner, and I would suggest to all of my colleagues that we vote in support of this motion.

The Acting Speaker: Are there any other members wishing to speak?

Seeing none, would the hon. Deputy Government House Leader like to close debate?

Larivee: Sure. I would now like to close debate.

[Government Motion 34 carried]

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

Statutes Repeal

37. Larivee moved on behalf of Mr. Mason:
Be it resolved that pursuant to section 3 of the Statutes Repeal Act, SA 2013, cS-19.3, the Legislative Assembly resolves that the following statutes, appearing on the list of statutes to be repealed which was tabled in the Assembly by the Minister of Justice and Solicitor General on April 11, 2018, Sessional Paper 81/2018, not be repealed:
1. Black Creek Heritage Rangeland Trails Act (2004 cB-2.5)
 2. Forest Reserves Amendment Act, 2004 (2004 c9) s8
 3. Health Professions Act (RSA 2000 cH-7) ss155(1)(c), 156(n), (u), scheds. 1
 4. Health Professions Amendment Act, 2008 (2008 c34) ss12, 13, 15
 5. Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act (RSA 2000 c34 (supp)) s8 (adds s8.1(3)).

Larivee: Thank you, Madam Speaker.

The Acting Speaker: Are there any other members wishing to speak to the motion?

Seeing none, Deputy Government House Leader, do you want to close debate?

[Government Motion 37 carried]

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

Enactment Continuation

38. Larivee moved on behalf of Mr. Mason:
Be it resolved that the Legislative Assembly approve the continuation of the following enactments:
- A. the ATB Financial Act;
 - B. section 2 of the Rural Electrification Long-term Financing Act;
 - C. sections 32 and 33 of the Rural Utilities Act; and
 - D. sections 3 and 36 of the Rural Electrification Loan Act.

Larivee: Thank you, Madam Speaker.

The Acting Speaker: Are there any other members wishing to speak to the motion?

Seeing none, Deputy Government House Leader, do you want to close debate?

Larivee: Yes, please.

[Government Motion 38 carried]

Government Bills and Orders

Second Reading

Bill 30

Mental Health Services Protection Act

[Adjourned debate November 29: Mr. Clark]

The Acting Speaker: Are there any members wishing to speak to the bill? The hon. Member for Lacombe-Ponoka.

Mr. Orr: Thank you, Madam Speaker. A privilege to rise and speak today to this bill. I think it's an important bill. Of course, we're just getting into it, so there are lots of questions yet. I'm optimistic, though, that there are some good things here. I have a series of questions, though, that I think will be helpful.

Let me begin by saying that good counselling is extremely important. I really do believe that many, many people in life do profit from the opportunity to sometimes just share their concerns and have somebody to think their way through their problem with, sometimes to receive encouragement and help, sometimes to get some, actually, concrete guidance that's useful for them to appropriate. So I think it's important that we consider this.

Of course, there are two pieces to this Bill 30, one with regard to counsellors, the other with regard to the licensing of addictions centres, which is a different consideration altogether in many ways. I've had the privilege of being quite involved in a number of addictions treatment centres and counselling situations throughout the years.

Let me begin, first of all, by talking about the college of counselling therapy. One of the values here of this will be that the insurance companies will have a clear understanding of who is an accredited or a reliable counsellor. So in many cases there are health policies and mental health policies that they would pay toward, but in some cases now they're unsure about that: they're not, they do.

It's a questionable issue for them, so I think it will be helpful in that way. I spoke to a counselling centre this afternoon in Red Deer, and they're actually in support of this bill basically for that very reason, because they feel it will help make clear for both them and the insurance companies when payment is to be authorized and when it's not.

They also feel that creating a college of counsellors may in fact help to relieve the shortage of qualified and capable counsellors in Alberta. We are facing tremendous addiction issues and the challenge of fentanyl and other things, and there is a need for counsellors. In many cases people are having to wait for months and months to actually be able to see a qualified therapist, so by creating a college, this will I think help to clarify some of this, help to make it just a better relationship all around because, quite frankly, it is quite a wide open field at this point in time. So I think that it will be helpful in that regard.

Smaller associations, though, have expressed some concerns about representation rights, so I hope that that will be addressed, whether the representation will be fair and equitable all the way along. Yeah. There are about 14 different associations across the province, so pulling them together and making an equal playing field for all there, I think, will be a useful exercise.

With regard to the addiction treatment centres and licensing for them, I do have some questions on this, and I suspect that while this bill is going through, again, in a rushed format, a couple of days – we just got it Thursday. We expect to have this passed in a few days here. How much consultation has actually taken place with some of those that are really doing addictions treatment? I suspect not a lot. I know that a couple that I have phoned, no one ever spoke to them about it. So once again we have a government that's rushing through with ideas. Don't know where they get them from because in many cases they're not speaking to the people who are actually doing the job, the people who are actually creating the assistance for people.

There's a question that has been raised by one of them about the possibility of regulation of fees, particularly for private centres. Will the fees be regulated? How will they be set, and on what basis will they be set? This is an important question for them. They would like to know, with regard to fees, how that's going to be managed or how it's going to be regulated and how that will compare with the cost of government-run facilities.

7:40

There's also clearly expected to be an increased cost to participants in some cases. For many people finding treatment is an extremely expensive proposition. Residential treatment is not cheap anywhere. Is this going to push the cost up again in a way that will exclude some people and actually create fewer people being able to take advantage of addiction treatment?

There are questions about how this will influence AADAC. AADAC was originally created as a forum or as a context where Albertans could help Albertans. There has always been a huge value of humans helping humans. I get a little bit concerned if we take the idea that all help has to be somehow elitist or somehow professional, as if ordinary people can't help ordinary people. In many cases it's friends, it's neighbours, it's family that stick with people that have addictions challenges, that walk with them through the journey, that pick up the pieces with them over and over and over again. I think it's important that we somehow in the midst of this preserve the idea that all Albertans actually have something to contribute to this conversation because it impacts their families, it impacts their lives, and it impacts their jobs. So I think that we really do need to make sure that this does not make it somehow

exclusive in the sense that Albertans can't help Albertans, can't participate in that.

It's been an ongoing challenge for new treatment centres to open. Sometimes it takes real spontaneity and creativity. I can cite two, for example, that are somewhat unique to the average, run-of-the-mill centre. In my riding there's one out in the country. It's out in a very rural area. It was started by, actually, a worker from Fort McMurray who used to work up there or do some contracting up there. His daughter was killed by an alcoholic in a driving accident. Rather than just get mad and be mad at the world forever, this individual chose to try to do something about it. He began to start to work just with people that he knew. He slowly built up a counselling centre. He has professional staff on-site. He has detox on-site with 24-hour medical people available. He's expanded. He now has another one in Kelowna, one on the east coast, one in California and is still growing. The kind of innovation and creativity and spontaneity that he was able to exhibit to create a centre that now touches, has touched over the years hundreds of people's lives.

I'm concerned when government regulation gets in the way and prevents those kinds of very good things from happening in Alberta. I hope this doesn't become an issue where those kinds of new initiatives are restrained, are prevented through excessive regulation, where these kinds of good works for Albertans are no longer able to happen.

I was also going to say that the other centre, of course, is in Calgary. A lady there, whose daughter also was having addictions issues, has been able to create some addictions treatment by really using the challenge and the effort and the discipline and the training of running. By taking patients and working with them and challenging them to get to the point where they can run marathons, it helps them to get their lives under control, to develop some of the discipline and the inner strength to overcome. It's their own counselling. Again, something that probably wouldn't start in a traditional professional sense, a very creative, innovative, unique, spontaneous kind of approach, and yet it's proven itself to be a very effective way of helping certain individuals find a way to manage and to deal with their addictions issues.

In each of these cases unique and creative stories of how Albertans are helping Albertans, and I think that's an important piece that we need to not lose in the rush to regulate everything.

Other questions have been raised. Who will be doing the inspections? Who will be going around and certifying and approving? The point was made by a couple of different people that, hopefully, it's somebody with both credentials and also real experience, someone who's actually worked in the field. To just send someone around with theoretical knowledge, with academic training, and straight out of school but with no real experience isn't likely to be very effective, so it's one of the concerns that was raised.

Quite frankly, to be blunt, the statement was made that we really hope it doesn't become a nitpicky, rule-driven situation versus one with common sense. Sometimes we get too much government regulation, and rules become more important than actually helping people and actually creating human, innovative, creative, engaging ways of helping people. It will be good to have some guidelines, but there are certainly some questions. There are certainly some concerns.

I think also that there are challenges going forward with how things will be defined. What will be the impact of those kinds of definitions? For instance, who will be providing the training for residential addiction, and again how do new ones ever get started? We certainly, clearly, need more than we have in our province right now. So where does this professional development come from? I

mean, there have been many, many studies done that in many cases professional counselling doesn't even work, that people statistically have as much success on their own as they do with so-called high-level professional training.

Is this going to become a very siloed, single-focused model of treatment based only and entirely on a medical model when, in fact, the problems that in many cases bring people to addictions in the first place are not medical? They're personal, they're social, they're economic, they're spiritual, and sometimes if you don't address these underlying issues, the addiction isn't actually dealt with in a way that's helpful.

Then how much will all this cost? What is the licensing cost to the facilities? What is the licensing going to involve for the government to manage all of this? I think these are important questions. We have no idea what this is supposed to cost.

Will standardization of practices – I've kind of already said this – create a single model or a very narrow focus of what counselling or, particularly, addiction treatment centres can actually look like? Again, as I've just outlined, two unique, different models, one out in the country, where being out in the country, out of the rush of the city has proven to be a very helpful environment for a lot of clients. Will this exclude the opportunity for private facilities to even operate or to begin? Much the same as I would argue for choice in education, I think those with addictions ought to have the opportunity of choice in treatment. Not every facility, not every model works for everyone. One size does not fit all, and unless we allow an openness and a freedom to create many useful forms of service – we need a diversity of service in this as well. If we really believe in diversity, then the policies and the regulations need to reflect that. They need to be supportive of that. So a couple of those questions.

I think those are my main points, my main concerns. I think that I will leave it at that, and hopefully we'll get some answers, as we move forward, to some of these kinds of things.

Thank you, Madam Speaker.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)?

Seeing none, I will now recognize the hon. Member for Calgary-Mountain View.

7:50

Dr. Swann: Thank you very much, Madam Speaker. Pleased to rise and speak today to Bill 30, Mental Health Services Protection Act, and at the outset to congratulate the minister and the government for taking on what is obviously a thorny issue after so many years of neglect. Somehow in this province we have allowed practitioners to put up a sign that says that they can do such-and-such in the mental health area but that they can't do it in the physical health area or in any other profession: law, engineering. It's long overdue that we put some kind of standard in place, training requirements, consistent evaluation, ongoing education, evidence that they are moving with the times and learning new approaches to mental health and addictions issues, the most complex issues that our society deals with.

It is eminently reasonable that we use the best available evidence and ensure that we not only license people that are capable of providing the services they say they are but evaluate them in an ongoing way so that we don't allow slippage, so that we don't allow incompetence, so that we don't allow some of the failures that we have experienced in our own personal lives through a failure to either see the right professional or be referred to the right professional or have those professionals accountable for results.

I guess I would have to say that the whole system suffers from a lack of evaluation, whether it's medical doctors or others. We need a rigorous system of evaluation that points to issues that are not satisfactory either in terms of personal competence or in the practice of referral, when people recognize that it's beyond them and refer to someone else whom they feel has the competence to deal with that particular issue, or if it's an institution that is providing suboptimal environments for healing and health to develop.

I was very much involved with the organizations under the acronym FACT, the Federation of Associations of Counselling Therapists and their 13 associations, who have been pressing this for several years. I supported them and was very pleased to see the minister take the time, create the energy around this, and provide some leadership that would ensure that people do get appropriate referrals, appropriate treatment, at least to the best of our knowledge. That includes, as I say, continuing education for these folks, because we have to be evaluating, researching, and learning all the time to provide the best, especially in a society that's changing as quickly as ours. The stresses upon us clearly are changing with the times given, for example, the virtual reality that we now live in and the tremendous impact of social media and the new addictions that we're identifying in relation to social relationships and issues, including the different drug problems.

I was pleased to see this come forward. I have a few concerns about some of the sections, and I'll raise those in passing, but for the record this bill does create a new college of counselling therapy to oversee and regulate the profession, oversee training, licensing, continuing education, and sanctioning when there is a failure to meet standards. It requires residential addiction treatment facilities to be licensed, which will empower the province to enforce minimum standards and to address complaints. Part of the concern I have is that if the province can enforce minimum standards, what's the role of the college in enforcing minimum standards? I think one of the questions has to be: what is the role of the province versus the role of the college in terms of individual centres and individual practitioners? The residential treatment facilities will be able to apply for a licence for up to four years, starting July 2019, and will need to have something in place by November 1.

This is all good. Licensing and inspection and evaluation are all, I think, going to improve the protection of the public. In response to complaints, section 9 of the bill permits facility licences to be amended, suspended, or revoked, and inspectors can enforce standards by issuing stop orders and administrative penalties of up to \$10,000 a day. All those, I think, are consistent with our standards for seniors' care, for example, and they need to be present for all public services as far as I'm concerned.

Section 24 troubles me a bit in that it authorizes the minister to give directions to a service provider or any other person for the purposes of this Act where the Minister considers it to be

- (a) in the public interest, or
- (b) appropriate for the purpose of providing for matters related to health or safety.

Again, this muddies the waters, I think, unless it's more clear than I recognize, in relation to practitioners' quality versus the institutional setting and how far the government will step in where there's an ambiguity around whether it's the working conditions or the environment versus the quality of care provided by the individual practitioners, where the college should rightly have the primary role.

Section 29(2) protects the designation "psychotherapist" for the exclusive use of the college of counselling therapy, the College of Alberta Psychologists, and the College of Physicians & Surgeons. Section 29(3) creates a new college of counselling therapy to regulate the profession and set standards for education and licensing

and the titles of counselling therapist, addiction counsellor, drug and alcohol counsellor, child and youth care counsellor. These are specific expertise areas that really do need to be clarified. Training is somewhat unique, and it should be. The research has pushed us to new levels of understanding of family dynamics, child development, the need to distinguish between adult and child therapy, whether it's in addictions areas or other mental health issues. So I am pleased to see that.

Currently the residential addictions treatment facilities are not subject to inspections and are not required to follow minimum standards. This has to change, and I'm pleased to see that with the passage of Bill 30, Alberta will become one of three Canadian provinces to regulate residential addiction treatment centres and the fifth to regulate mental health counsellors. So we're making progress, as far as I'm concerned.

Now, the devil is in the details. What standards are we going to require? What level of evidence will we base some of our evaluations on? One has to believe that in the process of evaluation we'll provide the best of evidence from around the world, that we will set standards that are world class, that we will have evaluators and accreditation experts that have looked at the literature, that have gotten a balance between the rigid medical model, which I heard the previous member mention – I would say the rather narrow focus of the medical model – and the need to expand that model much more broadly around mental health and addiction services to the social, to the spiritual, to the environmental and other dimensions of well-being.

With the passage of Bill 30, 65 per cent of clinical facilities in the province, which are privately operated, and 5,000 currently unregulated practitioners will be brought under some kind of an umbrella of oversight, which, to me, speaks to why we have a postsecondary institution. We set standards, we train by standards, and we evaluate by standards. It's imperfect, but it's the best we have, and we have to bring that to bear on the mental health and addictions system.

I'm interested to note that Alcoholics Anonymous and Narcotics Anonymous will be exempt from these. I'm not quite sure why, but I suppose it's partly because they don't enjoy the same public funding. I'd be interested to know more about that.

The lack of clarity around where the government has a role to intervene and where the college has a role to intervene in quality-of-care services: it's not yet a clear area to me, and maybe it needs to be fleshed out in the regulations as it is with other colleges, where it is more clear what the institutional responsibility is and what the professional responsibility is for quality of care and ethical practice guidelines.

8:00

I see very little in this to cause consternation except for the timelines. Let me say, as my colleague from Vermilion-Lloydminster has pointed out, that this could impose a significant increased cost. No doubt. It's worth it as far as I'm concerned to provide some security and accountability for those systems, but how will we deal with grandfathering those who are competent, who are effective, who are successful in their programs? To pull them out of their setting and force them to do a degree program or to do something to provide a whole new standard of degree is inappropriate. There needs to be some grandfathering over a period of five to 10 years for those who have been in practice for years and who have demonstrated a level of clinical competence, not necessarily academic competence. I'm sure the minister is considering how to deal with transitioning and the timing that's required for that as well as the respect for those who have learned on the job.

Here I'm thinking also of what are called peer counsellors. Peer counsellors and people with lived experience, former addicts, people with bipolar disorder, those who have been effectively cared for and managed to heal to whatever extent they can and to be treated successfully. They are tremendous potential candidates for therapy, for being in group therapy, for being one-on-one counsellors. They have a tremendous life experience that must not be dismissed and must not be sidelined simply because we establish a college that needs to, indeed, set some standards for training and some standards for evaluation.

This transition is going to be critically important. It could be very harmful to some communities. It could be very harmful to getting the results we want if the cost becomes prohibitive for individuals to pull out of what they're doing to establish a new credential in a short period of time. That cannot happen. We have too much stress on the system at the present time. We need these people to stay, in many cases, exactly where they are, do what they do but to offer them the opportunity to upgrade, to learn new skills, new approaches to addictions and mental health issues. It should be a bonus for them, to not penalize them but, in fact, add value to their own lives and to their own work.

I'm quite supportive of this next stage in Alberta's mental health and addictions programming, and I applaud the government for bringing this forward at a very challenging time in our history. That very challenge with the opiate crisis, with the new methamphetamine crisis, with the suicide challenges, the mental health issues that are increasing in our society: it begs even more the need to set standards and to have some confidence in where this whole service area is going. I think this is a very positive step in the right direction.

Thank you, Madam Speaker.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)?

Seeing none, are there any other members wishing to speak? The hon. Member for Vermilion-Lloydminster.

Dr. Starke: Well, thank you, Madam Speaker. It's my pleasure to rise tonight to speak to Bill 30. I want to say from the outset that in general I support the intent of this bill, and I support the notion that mental health and addictions treatment facilities should be brought under some form of regulatory purview and that this is required. But as my colleague the Member for Calgary-Mountain View just correctly pointed out, there are concerns that have been raised by existing organizations that have a long track record of successfully working within the addictions treatment area.

I want to specifically talk tonight about one such recovery centre that is in my constituency, the Thorpe Recovery Centre. The Thorpe Recovery Centre was founded in Lloydminster in 1975, 43 years ago, by a gentleman by the name of Walter A. "Slim" Thorpe as well as Ron Harris Sr. These two gentlemen, who were absolutely instrumental in getting the recovery centre going, recognized the need within the city of Lloydminster for an addictions treatment and detox facility, and they set up a two-bed facility in an old nurses' residence that was no longer being used for that purpose in Lloydminster. From those humble beginnings in 1988 a 30-bed facility in Lloydminster was constructed. Most recently in 2012 I attended along with former Premier Alison Redford when the 72-bed Thorpe Recovery Centre was officially opened, a 54,000 square foot facility just west of Lloydminster near the community of Blackfoot.

I give that background, Madam Speaker, because the Thorpe Recovery Centre has a 43-year track record of providing absolutely essential and outstanding treatment to literally thousands of

individuals. I'm always gratified when I hear the issue of addictions treatment and when this issue comes up in the popular media and when I hear it discussed on various radio programs, with the number of people that refer to having been former clients of the Thorpe Recovery Centre in Lloydminster. This is truly an outstanding facility. It is a facility that is not-for-profit. It has a volunteer board of directors, an extremely hard-working staff, and is running with some significant financial challenges. The Member for Calgary-Acadia, the former Associate Minister of Health, is well aware of the Thorpe Recovery Centre. She was very helpful in terms of providing support, and I wish to thank her for that this evening.

But the Thorpe Recovery Centre is having some challenges financially. We have invited the Minister of Health to visit the centre, and we certainly hope that at some point she takes us up on that invitation. I think she will be impressed like everybody else who has toured the centre not just with the building but with the whole ethic, the whole culture of the Thorpe Recovery Centre. When it celebrated its 40th anniversary three years ago, Scott Oake, the noted CBC television sports personality who tragically lost a son as a result of addictions a few years ago, was the keynote speaker at that event. I can tell you that the impact of having a professional detox facility, a professional addictions treatment facility, a facility that does not just treat addiction of alcohol but also addiction of various drugs, of gambling, of sex, of a wide variety of things that we as human beings are susceptible to – the Thorpe Recovery Centre is there, and it has been there for many, many years.

When Bill 30 was introduced, I immediately got in touch with the Thorpe Recovery Centre, and I said: "What do you think? How would this impact you, an organization that has been operating and operating with a level of success for many, many years?" There are a number of significant concerns. Once again, they said that they welcomed the opportunity to be licensed, to be regulated and that they hoped that that accreditation would open the doors to additional clients from other parts of Canada because I know there is some disappointment that despite its location both the Alberta and the Saskatchewan governments fund a very small number of beds within that facility. The vast majority of the beds are funded privately, quite often by employers of people who are facing addictions.

While licensing will offer opportunities, there's a lot of ambiguity within the bill that caused concern for the recovery centre. For example, in section 7, the licensing fees: what are those fees? What are all those fees going to be? They're to be set at some point in the future, but for a not-for-profit organization that is already running on a very tight budget, that is already running in many cases with a lot of volunteer labour, an additional licensing fee, especially if that fee is for a license that has to be renewed annually, is a concern. My own feeling would be that that licensing term should be no less than three years and preferably the full four years that is being suggested in the legislation.

8:10

There is concern that requires that the staff be regulated members of the college of counselling therapy. Again, I certainly want to echo the comments of my colleague the Member for Calgary-Mountain View. It's not just about your academic accreditation and qualifications. There's a gentleman in Lloydminster who two years ago was a guest of the Crown, I guess we could call it. He was in and out of prison and remand centres on a regular basis. He was fortunate in that he got the necessary counselling services to address the underlying mental health issue that he had that was causing his addiction, that was driving his criminal activity. Today that gentleman, Tyler Lorenz, has opened a counselling organization in

Lloydminster called Residents in Recovery, where he provides counselling services and just support services and education to people trying to escape from a life of addiction that Tyler is incredibly familiar with, and he became familiar with it the hard way. Tyler is an individual who went to school and got a certificate in addictions counselling, but does he qualify under these regulations? Would he be able to be at that facility? It's unclear. There are concerns about that.

There are concerns about the penalties, you know, that it's not to exceed \$10,000, but here again we are talking about an organization that operates on a very tight budget. It is extremely efficient, and a good chunk of their budget comes through donations from the general public. A \$10,000 penalty for what may be a clerical error would be a significant impact to that organization, so they have a concern about that.

Another area that they pointed out to me is under section 12(1) in terms of notice of inspection, where under 12(1) currently there's no requirement for any notice or previous indication of an inspector visiting the facility. I can tell you that in a residential addictions treatment facility that is just plain unfair. This facility is the people's home, and to have an inspector walk in unannounced is simply unfair and can cause significant setback and damage to their treatment. The suggested minimum period for some form of notice that I've received from the Thorpe is four hours. Now, if you've got major problems in your facility, four hours is not enough time to gloss over the problems in your facility, not even close. But it is enough time to let your residents know that you're going to be receiving a visit from an inspector and that if they are uncomfortable being seen by that person or that sort of thing, that they know that there will be a stranger in their midst.

Now, I've visited the Thorpe Recovery Centre a number of times, but I will tell you that each and every time that I go, I'm very well informed that there are folks I won't see that will be staying in their rooms, or they'll be staying in areas that are not open to the general public simply because they don't feel comfortable with people from the general public in their home.

So I will be planning in committee on moving an amendment to at least mandate a minimum four-hour notice period, which I think is only fair. When I was in veterinary practice, Madam Speaker, we were inspected every three years by a practice inspector, and we received one day's notice that that practice inspector was coming. That was certainly very helpful because it meant that we could make sure that the things that were necessary for the practice inspector to see were readily available to them and that we had at least one staff member available on that date to tour them through our hospital. If they arrive unannounced on one of the busiest days of the year or a day where you have got, you know, an incredible amount of other things going on, again, in my view, it is simply unfair to the facility. This is another concern that I have and that I share with the Thorpe Recovery Centre.

Critical incident reporting is another facet that concerns the Thorpe Recovery Centre. What about the critical incidents that happen after an individual leaves the care of the facility? If that individual should happen to have something serious like, for example, a suicide attempt after they leave the care, the truth of the matter is that the facility is only able to track that individual if they stay in touch with the facility through one of their alumni programs. If they by their own choice decide not to do that and they have a critical incident, there is no way that facilities like this can be aware that they've happened. So because of that, how can they do the reporting that is mandated under this?

There are additional concerns about duplication between AHS and Alberta Health, and I'm sure that this is probably already causing my colleague to smile because this is a favourite topic of

his. There's ambiguity within the legislation as to whether now these recovery facilities are responsible to AHS, with whom some of these facilities have contracts and are required to report to, or Alberta Health and whether they, in fact, now will have to report to both, which, in my view, is an unnecessary duplication and requires additional administration. Clearly, these facilities want to put their limited resources into counselling and treatment and not into administrative overburden.

For example, once again in the reporting of critical incidents, under the service contract of AHS the Thorpe centre is currently required to report critical incidents to AHS. Now under this legislation it's expected to be reporting to Alberta Health as well. The concern that the Thorpe has communicated to me and that I wanted to talk about today is that while they welcome accreditation and they welcome the idea that somebody is going to monitor and regulate organizations like theirs and they have absolutely no concern because they're already accredited under the national addictions treatment centres, they are concerned with the additional costs that this will confer upon these facilities.

I want to say one other thing. The Thorpe Recovery Centre operates near Blackfoot, Alberta. The closest large centre is Lloydminster, but it is very much a rural located centre. It is not easy to recruit qualified staff to that centre, and if these qualified staff members have to go for repeated reaccreditation visits and if they can't get that accreditation done within the centre and have to travel to Edmonton or Calgary and if they have to do it every year and if there is a fee involved in being part of an accredited college, that's yet another additional cost that has to be borne either by the counsellor or borne by their employer.

Some of these costs may not sound like they add up to a lot, but I can tell you, from having many conversations with people at the Thorpe, that they will tell you that every penny is very carefully scrutinized. All they see in this piece of legislation are additional costs, and they don't necessarily see a great deal of additional benefit because many of these things are already being done in some way, shape, or form. That said, they're not opposed to the idea of scrutiny. They welcome scrutiny because they're proud of the work they do.

Madam Speaker, I have concerns about Bill 30. I will support Bill 30, but we certainly hope that in these last days of this fall session the government is open to looking at some amendments that I think would improve it and would certainly assist with organizations that are already operating. I would restate and certainly repeat my invitation to the Health minister to attend and to visit the Thorpe Recovery Centre because I'm sure that she will be very impressed with what we are doing.

Thank you, Madam Speaker.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)? The hon. Deputy Premier and Minister of Health.

Ms Hoffman: Thank you very much, Madam Speaker. I was going to try to keep all of my remarks until the end of debate, but I think that there are a few questions I want to address now that were raised by the hon. member and that relate to the questions from the Member for Calgary-Mountain View as well.

I just want to begin by saying that the reason why AA, NA, faith-based therapies, volunteers, MAT program shelters, people with lived experience who aren't calling themselves counselling therapists are excluded is because they're working in a peer support environment or drawing on that lived experience. They're not calling themselves counsellors. That's why they themselves wouldn't be part of the college, because they're coming at it from a

different skill set and a different level of expertise, but they also have a different trust relationship with the client.

8:20

I think back to a piece of legislation that we just passed earlier this session around protecting patients accessing health care services. The level of engagement with somebody who calls themselves a counselling therapist: when it comes to that level of engagement and trust, the risk that could be in place around sexual assault and those types of things speaks to why it's so important that we actually do bring about a licensing process and a college and that we move this profession so that with that level of trust – as the Member for Calgary-Mountain View has said, many people have hung a shingle and called themselves counselling therapists and put themselves in that position of trust – there will be a level of responsibility. That's the role of a college, any college in any governed profession. I did want to respond to that in relation to this question that was asked.

The other piece I just want to say is that we use the same baseline around inspections that we have for the Supportive Living Accommodation Licensing Act that would apply to long-term care, and it's also the same licensing that we have for foster homes. Certainly, I believe that long-term care facilities and foster homes are homes for the residents that live there. I think that because of that it's important that we have that level of privacy honoured, obviously, but also that level of safety and confidence in a facility. The language around inspections was pulled specifically from those two pieces of legislation, where we also believe people are living in a home, to have it in alignment with that, that somebody living with a substance use condition not be treated any differently than somebody else who has another health condition that's requiring long-term care. That's where we got the inspection language.

I'll just deal with those two points at this time, and I'd be happy to respond to additional questions in closing, Madam Speaker. Thank you.

The Acting Speaker: Under 29(2)(a), the hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you, Madam Speaker. I just want to raise a question with the Member for Vermilion-Lloydminster. I have some difficulty in inspections being planned and predictable. I think that where there are some really unhealthy and unfortunate things going on in institutions, we need to find that out by showing up at unexpected times. It may well be true that it's inconvenient and that it discomforts some people. But would he not say that in the public interest, the patient interest, we do have to have unannounced inspections to uncover some unsavoury things that you would not otherwise identify?

Dr. Starke: Well, Madam Speaker, with the greatest respect to my colleague, I'm specifically talking about the specific centre that I represent. I have a high level of confidence that even if you did walk in with zero notice, they would happily and easily pass any inspection. But this is the level of the concern that they have for their clientele, and they are protective of their clientele.

With all due respect to the Health minister, I do think there is a difference between a detox or an addictions treatment centre and the protection of privacy that the clients of those centres deserve and a residential or a long-term care facility. I absolutely think it's a different level. So I don't think you can just simply carte blanche lift a section out of another piece of legislation, that may well work fine for that piece of legislation, and transplant it into something like this. I think that had the time been taken to talk to people in addictions treatment – perhaps that time was taken, but certainly

nobody talked to the Thorpe – they would have been happy to offer that piece of advice.

You know, with due respect, I don't disagree with what my colleague says with regard to finding out about unsavoury practices, but four hours will not allow you to cover up an unsavoury practice. I can tell you that right now. But four hours will at least allow you to provide a dignified level of notice to vulnerable persons who are receiving addictions treatment at a time in their lives when they, too, are vulnerable. I think it's incredibly important that we provide that.

The Acting Speaker: Thank you, hon. member.

Are there any other members wishing to speak? The hon. Member for Fort McMurray-Conklin.

Ms Goodridge: Thank you, Madam Speaker. It's an honour to rise in the House today to speak to Bill 30, the Mental Health Services Protection Act. I'd like to start by acknowledging that this government has chosen to respond to two very real and important issues that are facing our province. Maintaining good mental health services is really crucial if we are going to help our most vulnerable within society. The attempts to do this through the creation of the college of counselling therapy aims to bring accountability to our mental health professionals. It also brings in mandatory licensing for addiction treatment centres, which will hopefully increase the level of care provided to those that are requiring these services.

[Mr. Sucha in the chair]

This legislation is coming at a time when the mental health needs of our province have continued to plummet due to the difficult economic times and the deterioration of our mental health services. This is especially the case in my riding of Fort McMurray-Conklin. As is the case after most serious natural disasters or tragedies, the demand and need of mental health services increased substantially. In fact, there was some research that was released at the end of October of 2018, just a few months ago, that suggests that the effects of the fire are still lingering within my community, and they're continuing to see an increased rate of depression and other related mental health issues. The survey based its research on about 486 responses that were completed using a standard psychiatric test to assess the mental health effects of the fire, and then through this research it found that close to 15 per cent of the respondents were suffering from some form of depressive disorder. It's worth noting that the average rate in Alberta is about 3.3 per cent, so this is still staggeringly high compared to the Alberta average.

It also found that those with depressive disorders were far more likely to have alcohol abuse and substance disorders. The research also found that emotional and social supports were absolutely elemental in ensuring the resilience of people. It found that people that received little to no support were 13 times more likely to have a depressive disorder compared to those that did. It also found that those with a depressive disorder were substantially more likely to have substance abuse or alcohol abuse issues.

Under this government we've seen the mental health budget nearly double, yet we haven't seen any real result increases with that doubling. We've seen that of 74 per cent of children and youth that are offered mental health service treatment – that's down from 89 per cent in 2014-2015 – unfortunately, only 64 per cent of these children and youth actually end up receiving the mental health treatments that they're seeking, which is down from 82 per cent in 2014-2015. We have a long ways to go, and I hope that this bill actually serves to make this better.

As I stated earlier, Mr. Speaker, Albertans are suffering, and the need to have access to appropriate services is more important now

than ever. I'm glad to see that this government has closed some of the gaps in our services and is aiming to address them. For example, by establishing a college of counselling therapy, we will hopefully restore confidence in our counselling professionals and ensure that all Albertans are receiving the absolute highest standard of care available. Through regulations established by the college, we will hopefully be able to ensure that all professionals calling themselves counsellors will have adequate credentials, education, or life experience to be able to provide Albertans with the care they need. Right now anyone in Alberta can state that they're a counsellor, and that can be really misleading to those that are really requiring this help.

One of the things that I find might be especially of benefit is that the college will also be able to hold its regulated members accountable for their actions. I truly believe that accountability is so important in our society, and I think that that's a really good step in the right direction. But as we've seen in the past, colleges don't always have the tools they need to deal with the issues that they face. In fact, the government is going to have to continue to work with this college to ensure that the outcome and the interests of Albertans are always at the forefront and are the top priority. It will also help to create a higher standard of care for all Albertans.

This government seems to have done some consultations before tabling this bill, which I'm very grateful to see. Consultation prior to tabling a bill is something that I believe is truly invaluable, and I was happy to hear that all 14 counselling associations were consulted and are in favour of this change. However, I must admit that upon doing some consultations of our own, I was disappointed to find out that the government neglected to consult with the Canadian Addiction Counsellors Certification Federation, which represents about a fifth of all counsellors in Alberta, including indigenous addictions counsellors, international addictions counsellors, national defence addictions counsellors, amongst others, and as we've heard from some of my colleagues, facilities in their communities also were not consulted.

By creating a medical college, we can also have some negative aspects. For instance, we've heard that smaller associations might feel like they have fewer rights when they're grouped in with larger associations in the same college. It's also harder for regulations to address each individual association's needs. As we've come to learn, a one-size-fits-all system often doesn't work, but I really do hope that the college will do its best to meet the needs of all of the 14 existing associations.

8:30

The licensing aspect of the residential addiction treatment centres also has some positive aspects. For instance, it establishes who is able to open a residential addiction treatment centre by requiring licensing. Currently any person or organization can open up a centre, regardless of their qualifications, education, or experience. While this can be a major benefit, this can also be a downside, and this bill will help to ensure that all centres are maintaining the highest standard of care for those with addictions.

The collection of records and reporting to a director will ensure that the standard of care is maintained over the long term, allowing facilities to perhaps find and identify trends. However, it's often difficult to get these statistics as many of these organizations operate, as the Member for Vermilion-Lloydminster indicated earlier, where they don't necessarily have the long-term aspects unless the patients themselves choose to join in the alumni statistics.

Furthermore, mandatory inspections will help ensure that the centres are meeting a level of service that Albertans would expect. However, as was previously pointed out, there are some concerns around the inspections and the timing and making sure that

everyone within the facility feels safe and at home. Typically when you're at one of these addiction centres, you're not necessarily there at the best times of your life, so making sure that there's adequate protection for these people that are already feeling very vulnerable is, to me, something very important.

One thing that really does worry me is that we can only assume that licensing will come with some kind of a cost to the facility and the organization. These facilities are often nonprofit organizations and are run by grants and donations, with very limited government funding. I'm concerned that from some of the facilities I've reached out to, they're very concerned with what the cost of the licensing will be and how long the licence will last. If they have to get relicensed every year, that could add some financial burdens as well as some serious administrative burdens. In fact, we heard from stakeholders who have expressed serious concerns about the potential cost increases that may come down the road and how they might be able to even accommodate these.

The increased regulations will result in higher credentials being required to provide these services, and while we must ensure that Albertans are receiving the highest standard of care, we also must ensure that these services remain viable over the long term. There's value in having a variety of different counselling options available. One size, method, or option does not work for all seeking assistance.

Furthermore, the vague definition of residential treatment centres is also alarming as many services may potentially be impacted. For example, it seems to me that a homeless shelter might possibly fit into the definition put forward by the bill. This bill could also potentially increase the cost to taxpayers at a time when Alberta's economy is already suffering. For me, there are way too many unanswered questions in the legislation, and I hope that this government will give us some time to find some of these answers. I think that that would be extremely helpful, if we can get some of these answers. I'd like to ask the government: how much will the increased regulations cost the centres affected? What is the cost of the licensing? How long will the licensing last? Like I said, we've had multiple stakeholders express concern over the cost, and to me this is a very real issue. How does the government intend to maintain the viability of these services as the costs rise? Mr. Speaker, did the government intend for this bill to have such wide-ranging implications? Do we perhaps need to tighten up the language on the definition to make sure that it's truly serving the intended goal?

With that, I would like to adjourn debate.

[Motion to adjourn debate carried]

Bill 31

Miscellaneous Statutes Amendment Act, 2018

The Acting Speaker: The hon. Minister of Children's Services.

Larivee: Thank you, Mr. Speaker. On behalf of the Government House Leader I move second reading of Bill 31, Miscellaneous Statutes Amendment Act, 2018.

The Acting Speaker: Are there any speakers to Bill 31?

Seeing and hearing none, are we ready for the question?

Hon. Members: Question.

The Acting Speaker: The Minister of Children's Services to close debate.

Larivee: Yes, I would like to close debate. Thank you, Mr. Speaker.

[Motion carried; Bill 31 read a second time]

Bill 32

City Charters Fiscal Framework Act

The Acting Speaker: The hon. Minister of Municipal Affairs.

Mr. S. Anderson: Thank you, Mr. Speaker. It's an honour and a privilege to rise today and move second reading of Bill 32, the City Charters Fiscal Framework Act.

Last week, when I stood together with the Minister of Finance and the mayor of Edmonton, I said that it was truly a historic day. Our province is entering a new era in the provincial-municipal partnership. I emphasize the word "partnership" because for the first time the province and our two largest cities have come together on a fiscal approach that works for everyone. If passed, this act will provide permanent, predictable funding for local infrastructure. As we all know, local infrastructure is vital to Albertans. It connects people to their families and friends and workers to their jobs. It enables trade and can help spur development.

Mr. Speaker, more than half of Albertans live in Calgary or Edmonton. This act will have a direct impact on the quality of life for 2 million plus people. A historic partnership will help Edmonton and Calgary build the infrastructure they need, in a way that the province can, to move forward. This framework also delivers certainty to the cities by recognizing that they're partners in our growing economy and should share in both the good and the tough times.

This framework respects the province's path to balance and is fiscally responsible. Specifically, it will move people and goods more efficiently with better roads and bridges. It will improve the quality of life for families who rely on rec centres, pools, arenas, and parks. It will increase the safety of residents, with more fire halls, police stations, and water and waste-water systems and will reduce emissions through stronger mass transit systems.

Bill 32 would also legislate historic long-term transit funding for Calgary and Edmonton so they can build out their transit networks, create jobs, reduce greenhouse gases, and make our cities better places to live and work. Starting in 2027, an additional \$400 million will go to transit projects in these two cities every year. This money will come from the climate leadership plan revenues and create jobs, support the quality of life, and help protect our environment now and into the future. Edmonton and Calgary are two of the fastest growing municipalities in Alberta, and as their populations increase, so does the demand for robust transit networks. We want to make it easier and faster for Calgarians and Edmontonians to commute throughout their city, access essential services, and travel to and from work and school.

As many members of this Assembly know, we have been working towards a new funding agreement with our two biggest cities over the past number of months. The process began as part of the work to create city charters for Edmonton and Calgary. Charters recognize that our two largest cities need a little more flexibility in how they operate so they can continue to build strong, vibrant, world-class cities that attract trade and investment, and I'm proud to say that we were able to come to an agreement for a new fiscal framework.

I'm sure many of the members who represent constituents outside of Edmonton and Calgary will want to know about the rest of the province. There are, in fact, 340 other municipalities that also want a permanent, predictable funding program. To these members, I say: we are working on this. We recognize that all municipalities require stable, predictable infrastructure funding, and that is certainly our intent. Right now we are working with the Alberta Urban Municipalities Association and the Rural Municipalities of Alberta on a replacement program for all municipalities. The

associations wanted more time to review the approach and talk to their members before they signed on. I certainly respect that need. The good news is that we do have time. MSI does not expire until 2022, and all municipalities, including Edmonton and Calgary, will continue to receive MSI up until that point.

8:40

Now, turning to the details in this proposed bill, the funding is split into two parts, general infrastructure funding and funding specific to transit. Let's start with the general infrastructure funding. This is the portion that could be considered the replacement for what is now MSI. In the first year of the framework, which is fiscal '22-23, the two cities will share \$500 million. The exact split will be determined based on a formula that takes into account things like fuel sales, population, and kilometres of roads. Our current estimate is that Calgary will receive about \$289 million and Edmonton about \$211 million. Importantly, this funding is tied to provincial revenues. Edmonton and Calgary are partners in our growing economy, and revenue sharing recognizes this contribution. The cities will receive more funding in good times, when revenues are growing, but also less when times are tough. That's a true partnership.

Looking at the transit portion, the two cities will share \$400 million each year, split down the middle. This funding will kick in in 2027, once the current LRT funding agreements are complete. Funding for transit will come from revenues generated under the climate leadership plan. This is an important link to make since investment in mass transit allows us to make GHG reductions. For those of us who believe in taking action to fight climate change, that's a big step in the right direction.

Overall, this is a significant piece of legislation, one that will help Edmonton and Calgary attract investment, support growth, and create jobs. It is equally important to note that this is an approach that we can afford as a province as it supports our path to balance. Mr. Speaker, this is the type of approach that the cities have been looking for. We listened, and we delivered.

Thank you.

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

Mr. Stier: Well, thank you, Mr. Speaker. A pleasure to see you in the chair this evening, sir. Good evening, everyone. Thank you to the minister for his presentation. It's my privilege tonight to speak to Bill 32 briefly. It's called the City Charters Fiscal Framework Act. A bit of background, I think, would be appropriate. Funding for Alberta's municipalities has been a struggle faced by successive governments here in Alberta. I think we've heard for years and years about predictable, sustainable funding. I know I have since I was elected in 2004 on a local council, and it was always a contentious issue then.

In fact, in 2007 the Stelmach government introduced the municipal sustainability initiative, or MSI, as we know it today, which is basically a provincial grant that helps support local infrastructure priorities and build strong, safe, and resilient communities. The grants have fewer strings attached than other municipal grants, and funding is based on a formula for distributing provincial funding for capital projects and is not necessarily project specific. MSI funding is allocated annually and paid to municipalities following legislative approval of the provincial budget, a submission of sufficient project applications, and submission and/or certification of statements of funding and expenditures.

It should be noted that the Stelmach government promised municipalities to provide almost \$11.3 billion over 10 years.

However, MSI funding never really lived up to that promise too well over the years, in some cases. It only met those promised amounts twice annually, once in 2007 and again in 2014.

Now we get into some details. It actually has been based over the years on a funding formula. It's been something that was worked on by municipalities for a long time and has had widespread buy-in for many years from all of the major stakeholders because it was so complex that everyone was consulted. It's worked reasonably well, I should think.

It actually incorporates two different formulas, one for MSI and another for the basic transportation grant, which was an existing grant that was incorporated into funding allocations when MSI was first established. For MSI, the formula for this funding is a complex equation, and I think we probably have seen that. If you've looked at the bill, it's still there today. It's basically the same as what it's been. It is extremely complex, and it's based on municipal populations, education property tax, requisitions, kilometres of local roads, and it includes base funding for all municipalities and sustainable investment funding for municipalities with limited local assessment bases.

The transportation grant portion is based on municipal status, with Calgary and Edmonton receiving funding based on litres of taxable road-use gasoline and diesel fuel sold in the province, and the remaining cities and urban service areas based on a combination of population and the length of primary highways. Towns, villages, and summer villages, actually, improvement districts, and even the townsite of Redwood Meadows receive funding based on population only. Rural municipalities and Métis settlements receive funding based on a formula that takes into account, in their case, kilometres of open road, population, equalized assessment, and terrain, in fact.

Here today we are looking at a new bill that's been put together in an interesting way and presented here in this House. It's the first time I've seen a bill like this come forward where the actual agreement that the government is making in terms of funding to municipalities is brought to the House for discussion and debate. In the past they've just gone ahead and made these announcements over the years and worked with the municipalities to the best of their ability. But here we have a bill that's very complex because of the formulas, very complex because of the years that it spans.

I would like to say at this time, Mr. Speaker, that we're somewhat supportive of what is being proposed in the bill, but the new arrangement described therein is so complex that we have a lot of concerns and many questions that we look forward to debating in more detail in Committee of the Whole and during the rest of the bill process. It proposes to enshrine in legislation, therefore, a funding framework for the cities of Edmonton and Calgary that will replace, actually, the capital funding regime for them at this time.

According to the government website information, it says that if passed, the City Charters Fiscal Framework Act would provide Edmonton and Calgary with infrastructure funding tied to provincial revenues.

I think the minister talked about this already. It would provide Edmonton and Calgary with a baseline of \$500 million in the first year [apparently], split between the two cities [only]. This new agreement would replace the cities' Municipal Sustainability Initiative (MSI) funding when the program is complete in 2022.

The framework would also support growth in the Calgary and Edmonton regions with \$400 million annually for long-term transit funding, split between the two cities.

And I underline: split between the two cities.

In addition:

A \$50-million annual program to fund significant regional infrastructure projects that support economic development would

also be introduced in 2022, supporting cooperation and collaboration between municipalities. One third of the funding would go to [also] the Calgary Metropolitan Region Board . . .

That's the new growth board they've put together.

. . . one third to the [existing] Edmonton Metropolitan Region Board . . .

That's been operating for several years now.

. . . and one third to other regional entities on a competitive basis.

That's interesting. There's not a lot of detail to that, but that's an interesting idea.

As a side note, all the other municipalities outside Edmonton and Calgary have not got a program ready to go yet, and I understand through the minister and some of the statements made tonight and earlier that they are working on that with the Alberta Urban Municipalities Association and also the Rural Municipalities of Alberta or what we used to know as the AAMD and C. But it's a very complex issue there with all the different sizes of municipalities, I suspect, and it's going to take some time, I would imagine, for those kinds of negotiations to come to a conclusion.

Looking at the new proposal, we see some benefits. It provides a stable, predictable, long-term funding model for Calgary and Edmonton. We have been talking about that for years, as I said earlier in this presentation, and it would appear that they have addressed this in some regard for the two cities. The amount is less than the cities received in the combined funding for 2014 to 2017, initially. The funding will result in cities more directly impacted by a fluctuation of provincial revenues. Calgary and Edmonton will have funding certainty when they are approving their capital and operating budgets, and we all know that they have to do these three-year plans and these five-year plans, so that certainly should be of help. However, we have quite a few concerns and questions that we will be raising slightly now but also in the Committee of the Whole process.

8:50

The first observation, among many that I'd like to make, is that this bill is extremely complex. We've basically got a negotiated settlement here in writing in the form of legislation. I would not like to have been necessarily at the table on some of these negotiations; it must have been extremely difficult. However, it would have been interesting to be there, I should think. What it does is it commits the province to funding levels regardless of the fiscal situation. That's an interesting little situation just in that statement itself. Another observation: the funding is linked to a carbon tax. Perhaps a questionable strategy these days. Based on a three-year delay, too, it may result in cities' funding increasing despite actual decreasing in provincial revenues during a downturn or a recession. There could be a little bit of a timeline issue there when you're working on a baseline two or three years in prior days.

Again, we do say that we've noticed that there's no deal with other urban or rural municipalities. This is going to give a little bit of concern to those other municipalities. Will this allocation therefore take away from other municipalities' allocations in the future? These are some of the things that we are hearing about these arrangements. Politically speaking, a lot of the other municipalities are saying: well, this is special treatment for the cities. We can understand how they might say that. It looks like there's going to be a future change to this funding agreement perhaps, therefore, and it will require, if that is the case, additional change to the process.

Another observation we have is that any changes to capital and transit funding will therefore have to be debated in the Legislature as a result of this, which, of course, may increase the public awareness but it certainly may increase the public involvement.

A bit of a note on something they released at the same time if I may. I know it's not a part of this bill, but they did release a large set of amendments to the existing city charter regulations. And with this change, that charter is going to be effective. There will be a number of regulatory changes that have the building industry and others in investment, in that type of world, greatly concerned. Of particular concern they have noted, wondering about off-site levies and inclusionary housing, where, in the case of these new regulations that are proposed with the bill, there are no quantifiers as to limits. They're very worried about that, and they just are not sure how far cities may go with their new freedom to put these additional burdens onto their industry and onto our economy. Will that perhaps have a little bit of a negative aspect to investment in Alberta? One has to ask these questions.

Now, despite the fact, as I've said, that these are not debated in the House, we will be looking forward to raising some of those questions during the debate in Committee of the Whole, especially because they coincide with this new funding model with the cities. So it is relevant that we talk about that.

So to conclude, Mr. Speaker, this is a complex bill. This is something new. We do have to be careful with it. We will be presenting our concerns during Committee of the Whole, as I've said, and I look forward to those discussions in the next couple of days.

Thank you.

The Acting Speaker: Any other speakers to Bill 32?

The hon. Member for Calgary-Hawkwood.

Connolly: Well, thank you, Mr. Speaker. It's my pleasure to rise today and speak on Bill 32, the City Charters Fiscal Framework Act. It's really my pleasure to help the minister and cosponsor of this bill as this is such an important bill, and it's such a great bill for Calgary and, of course, for Edmonton. But we mostly care about Calgary because it is the better city, obviously.

The municipal sustainability initiative, MSI, as we all know, will expire in fiscal year 2021-2022. Our government is committed to replacing the MSI program with a provincial revenue-sharing agreement for municipal infrastructure prior to its expiry. Discussions on a new program began with Edmonton and Calgary as part of city charter discussion for a new legislated fiscal framework to replace MSI and promote sustainability and predictability.

Now, as we all know, Calgary and Edmonton are two of the fastest growing municipalities in Alberta. To support that growth, the cities need permanent, predictable funding for their local infrastructure priorities. This historic partnership helps Edmonton and Calgary to build the infrastructure they need in a way that the province can afford. The cities need a permanent, predictable program that allows them to plan long-range projects. We listened, and with this bill we delivered. This framework delivers certainty to the cities by recognizing that they're partners in our growing economy and should share in both the good times and the tough times. This framework respects the province's path to balance and is fiscally responsible. The revenue-sharing agreement takes effect after the municipal sustainability initiative is complete in 2022. It's a historic and first-of-its-kind partnership in the country.

The province is also delivering on the transit needs of Calgarians and Edmontonians by legislating long-term transit funding. I'll touch on this a bit more in a couple of minutes. Now, we are building a long-term future together with our municipal partners and continue to work with AUMA and RMA to develop a funding agreement for all Alberta municipalities. We committed to having a new system operational by the time the MSI commitment expires

and to legislate that system. That is still our commitment for all municipalities.

The City Charters Fiscal Framework Act provides Edmonton and Calgary with infrastructure funding that is tied to provincial revenues. We know that Calgary and Edmonton are partners in growing Alberta's economy, and this agreement recognizes that. Revenue sharing ensures that the cities receive more funding in good times when revenues are growing but also less when times are tough. This approach is consistent with our path to balance. It's fiscally sustainable and maintains the strong level of support our government has always had for municipalities. The cities have made it clear to us that they are prepared to accept both the risks and rewards of linking funding to provincial revenues.

Now to go back to long-term transit funding. The province is delivering on the transit needs of Calgarians and Edmontonians by legislating long-term transit funding. This historic, long-term transit funding will allow Calgary and Edmonton to build on their transit networks, create jobs, reduce greenhouse gases, and make our cities better places to live and work. Starting in 2027, an additional \$400 million will go to transit projects in these two cities every year. Edmonton and Calgary are two of the fastest growing municipalities, like I already said, and as their populations increase, so does the demand for robust transit networks. That's something that previous governments before us have constantly failed on.

As we know, here in Edmonton it can be quite difficult, and even in Calgary, to get around on transit. It is impossible to get from one end of the city to the other in Edmonton just on the LRT, and that's not right. We need to make sure that our cities are sustainable and are looking towards the future. That's why our government was so proud to support the valley line here in Edmonton and the green line LRT in Calgary. They're vital to the infrastructure and the growth of our cities. That's why I'm so proud of this bill and our Minister of Municipal Affairs for really getting this work done. We deserve future cities where more companies want to invest, where companies know that if they do decide to move to Calgary or Edmonton, they're going to have that basic transit infrastructure that they need to support their workers. I'm very proud of this bill, and I'm very happy to support it. I really hope my colleagues will support it as well.

We want to make it easier and faster for Calgarians and Edmontonians to commute throughout their cities, access essential services, and travel to and from work and school. We have made a \$3 billion commitment to Calgary and Edmonton for transit funding through the climate leadership plan, that has seen historic investments in the green line in Calgary and the valley line in Edmonton, like I already said. After that, this long-term transit investment will begin.

To conclude, Mr. Speaker, this is really why this bill is important, to make sure, like I said, that our municipalities have the funding they need to grow, to make sure that our communities have access to the funds they need to improve upon themselves. Once again, I would ask all my colleagues in this House to support this bill and our minister.

Thank you.

The Acting Speaker: Questions or comments under 29(2)(a)?

Mr. Nixon: I'm trying to move a motion. You can do 29(2)(a).

The Acting Speaker: Okay.

Any other members under 29(2)(a)?

Seeing and hearing none, any other members? The Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Thank you, Mr. Speaker. I would move that we go to one-minute bells for the duration of the evening both in and outside of Committee of the Whole.

[Unanimous consent granted]

The Acting Speaker: Any other members wishing to speak to Bill 32? The hon. Member for Calgary-Hays.

9:00

Mr. McIver: Thank you, Mr. Speaker. I appreciate this opportunity to speak to Bill 32, the City Charters Fiscal Framework Act. Now, this is an interesting kettle of fish, this particular bill. There's certainly things, I would say, to like, and there's things to wonder about. I just want to touch on some of those if you don't mind too much.

Now, Mr. Speaker, this bill to some degree is to replace the MSI, the municipal sustainability initiative, that was passed – I don't know – 10 or 15 years ago. Interestingly enough, the MSI was passed at a time when I was both on Calgary city council and on the AUMA board, which I think might make me just slightly unique in this Chamber right now. But here's a couple of the things that I remember when that was done back then. [interjection] The minister is making fun of me because I'm old.

An Hon. Member: I think you're special.

Mr. McIver: Oh, special. Okay. Special but not old, Minister, is that it? Okay. Thank you. I appreciate the clarification. He's still making fun of me, but that's all right. I'm okay with that, Minister.

So here's a couple of things that I think members of this House might find either interesting or instructive or, if none of that, I hope just slightly entertaining. Back then the municipalities, through the AUMA and the AAMD and C – the AAMD and C has now become the RMA. If you go back enough years, then that happens; sometimes things have changed their name. But at the time the government and the municipalities, both Calgary and Edmonton as well as all the other 300-plus municipalities in Alberta, had been talking for some time about a new fiscal framework, and the formula was actually done in a way that was somewhat ingenious by the provincial government.

[Ms Sweet in the chair]

Let me explain what I mean by that. With 300-plus municipalities, as you might imagine, when the government puts some money on the table and says that it is for municipal infrastructure and you're dealing with the largest municipality in Alberta with over a million people and the smallest municipality in Alberta with a population of probably somewhere in the neighbourhood of the hundreds instead of the thousands... [interjection] I appreciate that, Municipal Affairs minister. I don't know the exact number, and I don't want to be too far off it.

But the whole point is that there is a wide variation of audience for the particular plan that the government put forward at the time. The ingenious part would be, if you don't mind my saying – and I'm okay if everyone disagrees with me, but I think some of you might even agree with me – that the government said at the time: "We've got this much money to put on the table, about \$1.2 billion, and you municipalities can have it, but you've got to figure out yourselves how to divide it up. So there it is. It's there in a bank account, and the minute you tell us how you've agreed to divide it, then you can have it." So you can imagine that that was quite a discussion. You know, with municipalities with populations in the hundreds and municipalities with populations in the millions all

sitting around the table together determining how they're going to split up \$1.2 billion.

I wasn't privy to all of those conversations. I was privy to some of them, and you can imagine that they were pretty entertaining, of course for proper reasons, because every elected person from every municipality, big or small, was doing their best to represent their own constituents in the way that was best for them. Of course, the larger municipalities said that what was best for their municipality is that they should split it up by population – done; let's go home; let's call it a victory – and the smaller municipalities said: not a chance; not a chance ever that we are going to agree to that. Some of them said something to the effect of, "What if we did it by kilometres of road and number of culverts?" something that would severely favour the smaller municipalities.

Mr. Strankman: Culverts are important.

Mr. McIver: I couldn't agree more, hon. member. Culverts are important; roads are important; population is important. It's all important.

But my whole point here is that there is a diverse audience when it comes to municipal funding agreements. As a result of that, then there was a fairly complex agreement that I would dare say had the government of the day – and this is why I think it's ingenious. Had the government of the day come forward and said, "This is the formula that we are imposing upon you, and you all have to sign off on it," I would suggest to you that 330 out of the 340 or 350 municipalities would have said: no way. But by having the municipalities come up with the formula, then they agreed to it before it went to the government.

I think that you've got to admit that was a little bit ingenious in order to bring agreement to a group that isn't – while they're all nice people, and they understand each other's problems, they wouldn't naturally agree on this unless, of course, they had to in order to get their mitts on \$1.2 billion. Given that challenge, they rose to that challenge, and they came up with an agreement. And that was pretty fantastic.

Madam Speaker, this is a little bit different. This is where the government has gone to the two largest municipalities, Calgary and Edmonton, saying: we're going to cut you a special deal; it doesn't mean we're going to be bad to the other municipalities. The government didn't say that, and I won't accuse them of it. It doesn't say: we're going to be better than the other municipalities. The government didn't say that either, and I'm not going to accuse them of it. But this is a different kettle of fish in the way the government has gone about it.

Consequently, that is part of the reason why when it dropped on the table with, you know, very few days left in the scheduled sitting of the Legislative Assembly, it makes it just a little bit hard to internalize, understand. Indeed, one of the big outstanding questions which none of us, at least none of us on this side of the House, can answer is: how will that affect the other 300-plus municipalities that are not called Edmonton or Calgary? Of course, this legislation doesn't give us any answers to that question.

Knowing that, I think that was – I don't know if I put everybody to sleep. If I did, I apologize. But that background, I thought, was pertinent, and I thought it was genuinely meaningful in terms of how we look at this piece of legislation, this Bill 32, in front of us, Madam Speaker. That is a big question mark: what happens to the other 300-plus municipalities if indeed the Legislative Assembly of Alberta passes this agreement?

So what we have here in the legislation is – and it purports to provide stable, predictable, long-term funding for Calgary and Edmonton, something that is important to them. The mayors of the

cities seem happy. Because I live in Calgary, I've heard more in the media from the mayor of Calgary than Edmonton, so, Edmonton's mayor, please forgive me. It's just that where I live, I hear the other mayor's voice on the radio more often than I hear yours. But what I have heard is the mayor of Calgary saying that indeed it is less than they're getting right now until I think he said 2027, in which case it becomes more. So that's an interesting variation. Also, the funding agreement will result in cities being more directly impacted by a fluctuation of provincial revenues.

Now, here are some things I just heard from the previous speaker, from Calgary-Hawkwood, and just so the speaker knows, these are things that I think he's right on and I agree with him on. He said that the revenue sharing will start after 2022 if I heard him correctly. He's nodding his head. Okay. I think he said that the transit funding will start after 2027, which is the same year when the mayor of Calgary said that this agreement will provide more dollars than they're getting today.

Mr. Cooper: My kid is going to be in university then. He's in grade 6 now.

9:10

Mr. McIver: That is 10 years from now, just about, yes.

Here's the funny thing, and it's a little odd to me. I also agree with the Member for Calgary-Hawkwood who said that this agreement will provide more money to the two largest cities in Alberta when times are good and less money when times are tough. It sounds quite a bit like riding the oil and gas roller coaster, if you ask me, when you actually think of it that way. Having said that, Madam Speaker, I'm actually not saying that the legislation is bad. I'm just saying – I'm trying to look at it with an open mind here, but nonetheless that does look just a little bit like riding the oil and gas roller coaster up and down, as the current government has said they don't want to do anymore.

Now, here's a little piece. There's something very similar if not exact in the previous formula. In section 4(2) of the legislation:

For the purpose of subsection (1)(a), the percentage for an applicable fiscal year is calculated in accordance with the following formula.

If you're at home trying to keep up – I know I can't keep up, and if you can keep up at home, you're smarter than me, which isn't hard to do. Here's the formula:

$$[(0.48 \times A/A + B) + (0.48 \times C/C + D) + (0.04 \times E/E + F)] \times 100\%.$$

So I'm sure everybody now knows exactly how much Calgary is getting and how much Edmonton is getting.

Now, in fairness to the government and in fairness to the minister, this particular calculation is something that was pretty similar to what was in the previous legislation from the previous government. So while I'm making fun of the calculation, I can't genuinely make fun of this particular government without at the same time making fun of the previous government because the calculation is the same.

But my point, which I'm sure you're all waiting for with bated breath, is that with all of this complexity and with the short period of time in which we've had to look at this to understand it – and we do care. Of course, while we care about all Albertans on all sides of this House, we all understand that the two major cities comprise over half of the population of Alberta, so it's pretty important for the two major cities. It's also pretty important because whatever gets spent there can't get spent in the other almost 50 per cent of the population and all of the other 300-plus municipalities across Alberta. So I think it's reasonable that I could move an amendment, Madam Speaker, which I would like to move now. Unless you tell me differently, I'll sit down until you give me permission to continue, okay?

The Acting Speaker: Thank you, hon. member. If you could just wait till the table has a copy.

Go ahead, hon. member.

Mr. McIver: Thank you, Madam Speaker. Here's what the amendment says for those folks following at home. I move that the motion for second reading of Bill 32, City Charters Fiscal Framework Act, be amended by deleting all of the words after "that" and substituting the following:

Bill 32, City Charters Fiscal Framework Act, be not now read a second time but that the subject matter of the bill be referred to the Standing Committee on Resource Stewardship in accordance with Standing Order 74.2.

Now, Madam Speaker, the first part of my speech was all about setting the table about just how complex this is and how important this is and that we've only had it for a very short period of time. I think it's legitimate that the Legislative Assembly would want to look at this in committee so that we could as a team look at this. It's important. What you haven't heard me say is that the bill is bad, and you haven't heard me say that the bill is good. I think the bill is interesting. It's worthy of further discussion.

With that, Madam Speaker, having moved this amendment and getting close to running out of time, when you're going to force me to sit down and stop talking, I will now move that we adjourn debate.

[Motion to adjourn debate carried]

Government Bills and Orders Committee of the Whole

[Ms Sweet in the chair]

The Deputy Chair: I would like to call the committee to order.

Bill 31 Miscellaneous Statutes Amendment Act, 2018

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? We're in Committee of the Whole right now. Is anybody wanting to speak?

Seeing none, I will call the question.

[The clauses of Bill 31 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 27 Joint Governance of Public Sector Pension Plans Act

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

Mr. Barnes: Thank you, Madam Chair. I appreciate the chance to rise today and talk about Bill 27, Joint Governance of Public Sector Pension Plans Act. Of course, I spoke at great length at second reading about how good our public servants are, how hard they work, the quality of services they provide for all Albertans, and how important it is to protect their pensions, protect their compensation, and to ensure that, in competing going forward, Alberta not only

competes in the world with our great commodities and our great tech sectors but also competes with top-drawer public services. That, of course, is crucial. That, of course, is dear to the hearts of so many of us. I spoke during second reading about how you don't have to turn around too many times or go to too many places before you get the chance to engage and talk to some of our fine public servants, both for the province of Alberta and our municipalities, our school boards, our irrigation districts.

It's been a bit of a whirlwind, getting a 119-page bill less than a week ago. Of course, we know that that's how this government likes to do things, fast and furious and never mind what the unintended consequences may be. I've had the good chance to talk to many, many Albertans. Some felt that the consultation was good, but many said: what consultation? Some felt that it just kind of scratched the surface, again one of the reasons why all these bills should go a little slower and to committees and that kind of thing for a second reflection and also for the opportunity to have some experts.

I want to propose three amendments, and these amendments are based on accountability, fairness, and effectiveness, just to make sure that Albertans' pensions, our public service pensions, have the best chance going forward and that Albertans have the opportunity to make sure that as a taxpayer things are in order.

Madam Chair, I am a bit concerned. When I reached out to experts about some of the things that surround the liability, the transfer of the liability, there is concern about the government dipping into these funds and using them for their incredibly huge deficit. There is concern – there is concern – about the discount rate that these funds are based on and the sustainability. Again, in a week it's hard to talk to many people, but I'm so pleased with my team and my assistants and my colleagues. We certainly did our best.

9:20

There are concerns around some of the effectiveness, with some of the agreements around unanimous votes going forward, and again with the lack of consultation. Nevertheless, let's move forward. I would like to start by making a notice of amendment. I'll just give our hard-working pages the opportunity to pass this around. The first amendment has to do with . . .

The Deputy Chair: Hon. member, if you could just wait until I see the original, please, just to make sure it's in order.

Please go ahead. Your amendment will be referred to as A1.

Mr. Barnes: Thank you, Madam Chair. Amendment A1. I move that Bill 27, Joint Governance of Public Sector Pension Plans Act, be amended as follows. In part A schedule 1 is amended in part 2 by (a) striking out section 13 and substituting the following:

Auditor General

13 Notwithstanding section 11 of the Auditor General Act, the Auditor General is the auditor of the Corporation and the Plan.

And (b) by striking out section 19(4).

In part B schedule 2 is amended in part 2 by (a) striking out section 13 and substituting the following:

Auditor General

13 Notwithstanding section 11 of the Auditor General Act, the Auditor General is the auditor of the Corporation and the Plan.

And (b) by striking out section 19(4).

In part C schedule 3 is amended in part 2 by (a) striking out section 12 and substituting the following:

Auditor General

12 Notwithstanding section 11 of the Auditor General Act, the Auditor General is the auditor of the Corporation and the Plan.

And (b) by striking out section 18(4).

Again, Madam Chair, I just want to restate the objective. We're proposing a few amendments to Bill 27 because we want to ensure that the joint governance framework is fair, that it's effective, and that it's effective for all the members of the new boards, all the pensioners, all the beneficiaries, and we want to ensure a high level of accountability for members of the pension plan as well as Alberta taxpayers.

Interestingly, the Auditor General is currently the auditor of these plans. I was a bit surprised when I saw the section of the plan that said that the Auditor General cannot – cannot – be the auditor of the three pension plans that this Bill 27 pertains to. I just thought that, for the sake of the taxpayer, for the sake of the beneficiaries, the Auditor General needs to remain auditor to ensure that the billions of dollars in these plans are protected, to ensure the continuation of the people that have been looking at it on behalf of the taxpayer. Not having the Auditor General do this, Madam Speaker, may put taxpayers' dollars at risk. Of course, the government of Alberta is the main employer contributing to the public-sector pension plan, which is now worth some side of \$13.5 billion. Again, the government of Alberta is the main employer-contributor, the taxpayer of Alberta, for the \$42.8 billion local authorities pension plan as, of course, this one funds Alberta Health Services. According to the Auditor General's 2014 report, so we're back almost four years, the government share in each of these plans is approximately half of the total, or approximately \$30 billion.

Madam Chair, it seems like good sense. The Auditor General, in my six years being in here, has only impressed me, past and present, with the thoroughness, the quality, the effectiveness, and it just makes absolute sense to me to have this continue and to have the taxpayer of Alberta's representative continue to monitor these funds. I want to say that I was surprised that the Auditor General's office was not consulted about being removed as the long-standing auditor for these three pension plans. The office was informed of it Monday, November 19, the day before the minister introduced the bill in the House. I don't know. It's sort of like breaking up by text maybe.

Ms Hoffman: What do you know about that?

Mr. Barnes: I'm married 31 years. I know little.

We have this great department, who's done great work for years and years, from whom at the PAC committee, every time we asked for something, the response was amazing. They didn't even consult in the proper way. Perhaps the minister can tell us today why he included this section preventing the Auditor General from being the auditor for billions of dollars – billions of dollars – of pension funds, pensioner and taxpayer. The Auditor General has been the auditor for these pension plans for decades. He has an in-depth knowledge of the risks associated with these investments. The Auditor General's office also audits AIMCo, the plan's investment manager. So the Auditor General, again, has comprehensive, overarching knowledge and experience. The Auditor General is in a rare position to analyze all the implications for the taxpayer of the government's investments in these pension plans. Having the Auditor General continue to audit the pensions guarantees public transparency because the Auditor General reports to the Legislative Assembly. After all, Madam Chair, we're Albertans' representatives, both the pensioner and the taxpayer.

Madam Chair, an independent auditor may not have the same formal requirement to report to Albertans. Does this government want to hide our financial position from the pensioners and from Albertans? That's absolutely what it looks like. The Auditor General also has in the past recommended better risk management

practices regarding the sustainability of public-sector pension plans. One of the concerns, again, that I heard was on the discount rates that are being used, and we'll see when that rooster comes home to roost. The Auditor General points out that taxpayers are ultimately responsible if the plans are not sustainable. That's why it's crucial. The Auditor General points out that taxpayers are ultimately responsible if the plans are not sustainable.

Madam Chair, colleagues, I ask you to support this amendment. Let's enhance the protection for our pensioners and our taxpayers.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to the amendment? Cardston-Taber-Warner.

Mr. Hunter: Madam Chair, I just want to stand and say that I think that this is a very reasonable amendment, and I am actually disappointed to hear that the hon. members from the government side are not willing to even address this issue.

An Hon. Member: Terrible.

Mr. Hunter: And then they're mocking it.

We're talking about accountability for a \$60 billion fund. To make sure that we have some kind of clarity on why this is happening, if there's someone who is willing to speak to this, I would absolutely love to hear from them.

Thank you.

The Deputy Chair: The hon. Minister of Finance.

Mr. Ceci: Thank you very much, Madam Chair. You know, we of course care about accountability on this side, transparency, and I can tell you that we are ensuring this through this joint governance bill. For about 30 years these pension groups have been asking for independence from government. They want to set their own pension deal, they want to set their own way forward, and the government of the day always stymied that. The governments of the day promised that they would bring this joint governance in and never did. We are following through with a commitment we made.

I believe, of course, in properly looking after pensions for people. That's why we're setting up independent boards, both for the pension deal and for the administration and the corporations. When you grant this kind of independence, you also are allowing them to make sure everything is in place. They have to structure their own reviews of their books by hiring an auditor, by engaging an auditor. They are going to be doing that on their own.

9:30

If we were to say, "You can have your independence, but you can't look into who's your auditor; we don't want you to have that responsibility," well, that's not really granting independence. That's keeping a chain on these boards, and frankly that's not what we agreed with them to do. I'm confident that they will seek auditors who will provide a clear indication of the finances of their pension monies and be able to pass that on to their members, both their retirees and their current members.

Madam Chair, I would not accept this amendment because these pension boards, both administration and sponsor boards, will be able to do this on their own. They can engage an auditor. Auditors have a responsibility to operate under the proper rules of accounting, actuarial and other kinds of things, and provide that to their clients, which are the corporation boards. We are supporting the choices of independent, jointly governed pension plans. That's in the best interests of both them as operators, as people who own,

along with the employers, the monies that are for their pensions, long-term pensions.

Madam Chair, I'm not going to be accepting these. I'm looking forward to other amendments.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak? The hon. Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, and thanks to the Minister of Finance for standing up and clarifying a bit. I guess I'd just kind of like to ask him to please do that again and talk a little bit about, you know, the superintendent of pensions, what his involvement is going to be, what his role is going to be, particularly if we run through a tough time, a downturn, particularly if something in the market changes. Hon. Minister, could you talk about that, please?

The Deputy Chair: The Minister of Finance.

Mr. Ceci: Thank you again. You know, a key component of legislation is that the three plans will be registered under the Employment Pension Plans Act, meaning that they will be subject to regulatory oversight by the superintendent of pensions. That superintendent is charged with the administration and enforcement of this act and must ensure that plans comply with the legislation. Boards will be expected to submit annual audited financial statements – of course, they'll be hiring their own auditor to do that – annual information returns, and actuarial valuation reports regularly to the superintendent. That superintendent, of course, has oversight, as given by the Employment Pension Plans Act, not only for these pensions but pensions in Alberta.

The Deputy Chair: Thank you, Minister.

Are there any other members wishing to speak?

Hon. Members: Question.

The Deputy Chair: Seeing none, I will call the question on amendment A1.

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

[Several members rose calling for a division. The division bell was rung at 9:34 p.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Barnes	Hunter	Nixon
Goodridge	Loewen	Orr
Hanson	McPherson	Strankman

Against the motion:

Anderson, S.	Horne	Payne
Bilous	Jansen	Piquette
Carlier	Kleinstauber	Rosendahl
Carson	Larivee	Sabir
Ceci	Littlewood	Schmidt
Connolly	Loyola	Schreiner
Coolahan	Luff	Shepherd
Dach	Malkinson	Starke
Dang	McCuaig-Boyd	Sucha
Drever	McKitrick	Swann
Fitzpatrick	Miller	Turner
Goehring	Miranda	Westhead

Hinkley Hoffman	Nielsen	Woollard
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Totals:	For – 9	Against – 40
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[Motion on amendment A1 lost]

The Deputy Chair: We are now back on the original bill. Are there any other members wishing to speak? The hon. Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, Madam Chair. I rise again to propose another amendment. We've obviously seen less than a concern for the liability and the protection of 275,000 hard-working Albertans' pensions and taxpayer dollars, but the next thing I'm concerned about is the speed at which this government is trying to do things. Again kudos to the very, very hard-working, capable UCP staff, who immediately got on the phone and phoned countless people involved in this, from the Auditor General, to lawyers, to pensioners, to hard-working public servants. A lot of the answers came back: they had no idea what was going on. A lot of the answers came back: geez, this is pretty rushed. I saw some government members across the floor shaking their heads when I passed on the concern that one person was concerned that the government was dipping into these funds to cover their other deficits and debts. It never hurts to go a little slower. It never hurts to get things right. Of course, the way this bill is set up is that by March 1 the three sponsor boards, the three corporate boards can be started to be set up, could be set up.

9:40

Madam Chair, the amendment that I wish to make to Bill 27, Joint Governance of Public Sector Pension Plans Act, is to move that it be amended as follows: first of all, schedule 1 is amended in section 1, (a) in subsection (1)(u) by striking out "March 1, 2019 or, subject to subsection (2), such later date as set by the Lieutenant Governor in Council" and substituting "September 1, 2019," and (b) by striking out subsection (2). Schedule 2 is amended in section 1, (a) in subsection (1)(u) by striking out "March 1, 2019 or, subject to subsection (2), such later date as set by the Lieutenant Governor in Council" and substituting "September 1, 2019," and (b) by striking out subsection (2). Schedule 3 is amended in section 1, (c) in subsection (1)(u) by striking out "March 1, 2019 or, subject to subsection (2), such later date as set by the Lieutenant Governor in Council" and substituting "September 1, 2019," and (d) by striking out subsection (2). Schedule 4 is amended in section 5(3), in the proposed subsection (1.1) by striking out "March 1, 2019" and substituting "September 1, 2019."

Thank you, colleagues. Thank you, Madam Chair. Not much of a change to go from March 1 to September 1. My goodness, March 1 is, like, 85 days away. I mean, we have Christmas in there, we've got the normal government business, we've got \$65 billion of hard-working Albertan beneficiaries, their pension assets, under trust, not to mention the liability held by taxpayers, and this government is in a hurry to get things done by March 1. Does that relate to some other promises or some other negotiations that have happened? Who knows? But let's get to the point where we're doing things the right way. I can't imagine, you know, \$65 billion in some side of 85 days and where it could go.

I think the objective is to allow sponsorship and corporate boards and the corporations themselves – the people that work at Alberta Health Services and municipalities, the irrigation districts, the school boards – six months longer to establish. I think I heard my hon. colleague say that for decades – for decades – the past government had not done what was being asked of them by some

Albertans. Well, two ways to look at this, of course, Madam Chair, and one of them is that if it's been decades, what the heck difference is six more months going to make? I would recommend that a little, you know, somber second thought, a little reflection, a little opportunity to get the right people in place and do the right things are probably a good idea.

What I'm trying to do here is improve the effectiveness of these new governance boards. We're going to be setting up six new boards – can you imagine all the moving parts in that? – and legislation: I mean, I just read in two minutes 10 or 15 subsections. Can you imagine all that these hard-working people have to go through? The transition date for Bill 27: again I want to remind you, Madam Chair, that more than \$60 billion of pensions are being transferred to the new corporations in 85 days. \$60 billion. My goodness.

I was at a little Christmas party yesterday at Suffield, and God bless our men and women in uniform that serve to protect Canada. Commander Onieu was having a little Christmas party. We have a lot of British training soldiers there as well. And my goodness, the Phoenix pay system – the number of people I talk to that have encountered hardship because of the Phoenix pay system. I think, if I remember right, it was between three and four years that they've been dealing with this. Can you imagine? Can you imagine if you guys get \$65 billion worth of pension transfers wrong because of your haste to get in before March 1? We all know what March 1 to May 31 is all about. We just hope you do it right.

Madam Chair, the employee-employer organizations identified in the legislation currently have about 85 days to recruit members, appoint members, train members, establish quorum and voting requirements, set up administrative support, and establish offices.

Can you imagine if one of those areas at one of those boards, whether the special forces and then God bless the service people that are part of the special forces pension, can you imagine that because of this government's haste to beat March 1, something goes wrong? Can you imagine the headlines then? Can you imagine – again, I think of that poor taxpayer that will be working a little longer, a little harder, to cover a mistake that we could do something now.

Madam Chair, Bill 27 offers no guidance on the kind of background expertise that these board members will need or what training will be required to ensure educated stewardship for the billions of pension funds that will come under their control. Billions of pension funds.

Madam Chair, that's obviously not a process that should be rushed. Delaying the transition date by six months will ensure that members are better prepared for the responsibilities that will fall to them when acting as trustees for the billions of dollars worth of funds in the three pension plans.

Madam Chair, ever talked to someone that's been executor or coexecutor for an estate? It's such an important responsibility, but I'm always aware of how that impacts people in their desire to get it right and be fair and all those things. Now we've got billions of dollars, 275,000 Albertans direct beneficiaries, 4.1 million Albertan taxpayers that have ultimate responsibility for the liability. And this government is in an 85-day rush.

Providing more time will also ensure employees and employers and pension plan members can have confidence in the transfer of these public-service pensions to the brand new boards. Confidence. Again, just a short time ago one of these recipients told me that he thought the government might dip into his funds and use it for something else. Confidence.

Madam Chair, I would ask all my hon. colleagues for their support in this amendment, and let's do all we can to protect our hard-working public services pensions. Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to the amendment? The hon. Minister of Finance.

Mr. Ceci: Thank you, Madam Chair. With regard to the rapidity of the consultations, I want you to know that we didn't just start this yesterday. We started working with the representatives and others back in the early, early summer. Meetings started taking place, and there were a lot of meetings from all representatives of the pension plans, the employee representatives, and government that came to the table. There were consultations and there was a letter-writing campaign that I received 1,800 plan members' requests to call for the changes that we're bringing forward now.

9:50

Over the summer we considered input gathered from multiple stakeholders, Madam Chair, including survey respondents, written submissions, and, as I said, there were numerous meetings.

We got a number of those organizations who were involved as representatives of employees writing us and urging us to get on with it. In fact, as I said earlier, there were promises that were made back almost 30 years ago. Governments have been making promises to move on the practical reforms that are in our bill, and I'm proud, Madam Chair, to say that our government, this government, is finally making good on those promises and those good intentions.

We have had legal experts involved from all sides getting the organizations ready to undertake this responsibility, and they have prepared themselves well. So it's not just 85 days. It's not just 90 days since I tabled this. It is actually months and months of activity. Frankly, there are writers from across the province who say: get on with it. They have a deep mistrust. This person says that they have a deep mistrust for previous actions of previous governments. They want to see the pensions in the hands of the joint governance representatives, meaning employee representatives and employers. Right now I'm the sole trustee and administrator of these pensions, and frankly the pensions can probably get greater stewardship, more regular involvement every step of the way by having the owners of those plans at the tables, whether they're the sponsorship tables or the administrator tables, and stewarding those things.

Madam Chair, I think this is in the right direction of what we need to do. The organizations that have been involved have been involved since the summer. They have legal representatives who are giving them guidance every step of the way. They have skills and abilities and energy to undertake what's necessary to get them ready. I think we should not support these recommendations of delaying yet again the commitments to joint governance. Actually, this government made a commitment to take care of this business so that it doesn't wander and get reversed potentially by somebody else being at the table. I'm at the table now, and my commitment was to bring this in, and I'm going to stick to my word about what we did.

The Deputy Chair: Thank you, Minister.

Are there any other members wishing to speak to amendment A2?

Mr. Hunter: Madam Chair, I appreciated listening to both my colleague and the Finance minister. I guess the question that I have

is: if there was such a need to get it done and you've been in office now for three and a half years, what took you so long?

Mr. Ceci: Madam Chair, I don't know how many bills our government has brought in, but there's more than this many that we've brought in and passed in the House. We have had a full legislative agenda, full and useful and in the direction of where Alberta needs to go. I think that we're getting to it now because, frankly, it's an important piece of legislation to get done. I want to continue to build the trust of important employee and employer groups as we're following through with what we said we were going to follow through with. We started working on this bill in the early summer, and now we're here on the 3rd of December. The timeline for this kicking off will be March 1. So I think, all things considered, that we've got an activist legislative agenda that we've been fulfilling for three and a half years, and this is just a continuation of it.

The Deputy Chair: Thank you, Minister.

Are there any other members wishing to speak to the amendment?

Any other members wishing to speak?

Seeing none, I'll call the question on amendment A2.

[The voice vote indicated that the motion on amendment A2 lost]

[Several members rose calling for a division. The division bell was rung at 9:56 p.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Barnes	Hunter	Orr
Goodridge	Loewen	Strankman
Hanson	Nixon	

Against the motion:

Bilous	Horne	Payne
Carlier	Jansen	Piquette
Carson	Kleinstauber	Rosendahl
Ceci	Larivee	Sabir
Connolly	Littlewood	Schmidt
Coolahan	Loyola	Schreiner
Dach	Malkinson	Shepherd
Dang	McCuaig-Boyd	Sucha
Drever	McKittrick	Turner
Fitzpatrick	Miller	Westhead
Hinkley	Miranda	Woollard
Hoffman	Nielsen	

Totals:	For – 8	Against – 35
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[Motion on amendment A2 lost]

10:00

The Deputy Chair: We are now back on the original bill. Are there any other members wishing to speak? The hon. Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you again, Madam Chair. Thanks to my colleagues. Okay. We've seen a government that's in a hurry, that they're not concerned about liability, unintended consequences, not concerned about getting it right, but we'll keep trying. You know, as I said in my opening remarks, I've looked at this amendment idea, and I've looked at the bill with the idea of enhancing accountability, fairness, and effectiveness. We want to talk about

accountability and effectiveness in this one, and I will propose another amendment, please.

The Deputy Chair: Hon. member, your amendment will be referred to as A3. Please go ahead.

Mr. Barnes: Okay. Thank you again, Madam Chair. I move that Bill 27, the Joint Governance of Public Sector Pension Plans Act, be amended as follows: (a) schedule 1 is amended in part 2 by adding the following after section 20(1):

(1.1) An appointment to the board of directors under this section shall not be made if it results in other than one half of the directors being appointed by employee organizations and one half of the directors being appointed by employer organizations.

And (b) schedule 2 is amended in part 2 by adding the following after section 20(1):

(1.1) An appointment to the board of directors under this section shall not be made if it results in other than one half of the directors being appointed by employee organizations and one half of the directors being appointed by employer organizations.

And (c) schedule 3 is amended in part 2 by adding the following after section 19(1):

(1.1) An appointment to the board of directors under this section shall not be made if it results in other than one half of the directors being appointed as employee representatives and one half of the directors being appointed as employer representatives.

Thank you, Madam Chair.

This legislation as it's written now provides flexibility for the sponsor organizations. Again, each of the three pensions have a sponsor board and then a corporate board with different roles and responsibilities. But one of the responsibilities of the sponsor board is to appoint different representation to the corporate boards than on the sponsorship board, and I just think that the balance going forward, the balance of fair and timely and sustainable remuneration for our good, good public servants, our hard-working public servants, needs that balance of the government representative from Alberta Health Services through the sponsorship board, of course, through the government representative from a municipality or a university or an irrigation district. I think it's important to have that balance and that safe route: yes, the employees as well but, ultimately, for somebody who's representing that government corporation that is responsible generally for at least half – at least half – of the contributions to these pensions, and, Madam Chair, sometimes more. Sometimes the employer is paying a greater contribution than the employee. If that's what's been negotiated, that's fine, but equal balance and fair representation on the board doing the text, on the board doing the other rules and regulations seems paramount to me. We address fairness by ensuring that in the new governance boards the balance is always equal.

The NDP has stated the importance of equally weighted employee-employer representation on the sponsorship and in corporate boards for each pension. It has indicated that the representation would be the same for both boards. However, Madam Chair, Bill 27 allows the sponsor organizations to appoint a different number and balance of members to the corporate boards. We've looked through this thing. We couldn't find anywhere where it said that the corporate boards had to have the same fairly balanced representation as the sponsorship boards, hon. Finance minister. Hopefully, it's an oversight. Okay. Hopefully, we can pass this amendment and ensure that . . . [interjection] I've had a few, but maybe not this one.

Okay. As indicated, it looks like it allows the sponsorship organizations to appoint a different number and balance of members to the corporate boards. Let's change that. The rules for

the sponsor boards require an equal number of members appointed by employee and employer organizations. This requirement does not exist for the corporate boards. Again, in our short time with this we've looked through it, we've read it, and on and on, and it appears not to be there. This amendment matches the language in Bill 27 that requires parity – and thank you to our hard-working table officer people for helping us with that – between employee- and employer-appointed representatives on the sponsorship.

Colleagues, approving this amendment will extend the same requirement to the corporate boards, and why wouldn't we want it so? Please support my amendment.

Thank you.

The Deputy Chair: Thank you, hon. member.

The hon. Minister of Finance.

Mr. Ceci: Thank you, Madam Chair. I'm looking through information that I have, and it says that sponsor boards and the board of directors of each corporation will have an equal number of employee and employer appointees and will be selected by sponsor organizations without government approval. The initial distribution of seats will be set by government, but sponsors are authorized to change the composition of the sponsor boards in the future while maintaining the equality of employees and employers.

Madam Chair, it's fairly straightforward that this amendment is not required because there is no intent to have a different number other than an equal number of employee representatives and an equal number of employer representatives as directors. So it's not needed, and I just want to say in this House that the joint governance of public pension plans is something government took very, very seriously. We have worked diligently, and a lot of people have put in significant time and energy both on the employee side, on the employer side, and on government side to make sure there were no unintended consequences, and I don't believe there are any unintended consequences. The owners of these plans will have the opportunity to address their own plans in the future.

At this point there is no change at all contemplated to plan benefits or how the plans are funded, and there is no cost to government as a result of this change. I have used all the people in my department, in my ministry, and we have committed to our due diligence in making sure there are no unintended consequences. We're so proud of the work that is finally going to culminate in the joint governance of three public-sector pension plans, which was promised and started 30 years ago. This government took their responsibility seriously and followed through with something that these plan sponsors have had for that amount of time. We're confident that we've covered all the bases, and we're not the only people inputting into this. It was the representatives of employees, too, who have taken all of this with great sincerity and been chomping at the bit to make this happen, and it's going to happen.

Thank you, Madam Chair.

10:10

The Deputy Chair: Thank you, Minister.

Are there any other members wishing to speak? The hon. Member for Drumheller-Stettler.

Mr. Strankman: Thank you, Madam Chair. I'd just like to add a few words here if I could and particularly to those words of the President of the Treasury Board because I know that he is trying to do his job with the greatest of due diligence, as is the Member for Cypress-Medicine Hat. I don't believe that there is any intent for inappropriateness here. It's part of the responsibility of our jobs

here in the Chamber, Madam Chair, to try and improve this legislation as we go forward. I think the minister also recognizes that sometimes things do get by, and sometimes there may be unintended consequences. Therefore, I'd urge the minister again to revisit the amendment made by my colleague from Cypress-Medicine Hat because he's making that with the best of intentions. I'd like to support the Member for Cypress-Medicine Hat. It's an important part of the legislation that we go forward with, and I'll just leave my comments at that.

Thank you.

The Deputy Chair: Thank you, Member.

Are there any other members wishing to speak to amendment A3?

[The voice vote indicated that the motion on amendment A3 lost]

[Several members rose calling for a division. The division bell was rung at 10:12 p.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Barnes	Hunter	Orr
Goodridge	Loewen	Strankman
Hanson	Nixon	

Against the motion:

Anderson, S.	Hoffman	Nielsen
Bilous	Horne	Payne
Carlier	Jansen	Piquette
Carson	Kleinsteuber	Rosendahl
Ceci	Larivee	Sabir
Coolahan	Littlewood	Schmidt
Dach	Loyola	Schreiner
Dang	Malkinson	Shepherd
Fitzpatrick	McCuaig-Boyd	Turner
Goehring	Miller	Westhead
Hinkley	Miranda	Woollard

Totals:	For – 8	Against – 33
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[Motion on amendment A3 lost]

The Deputy Chair: We are now back on the original bill. Are there any members wishing to speak?

Seeing none, I will call the question.

[The remaining clauses of Bill 27 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Larivee: Thank you, Madam Chair. At this time I'd like to move that the committee rise and report bills 31 and 27.

[Motion carried]

[Ms Sweet in the chair]

Ms Miller: Madam Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the

following bills: Bill 31 and Bill 27. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: Thank you, Member.

Does the Assembly concur in the report? All those in favour, please say aye.

Hon. Members: Aye.

The Acting Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Larivee: Thank you, Madam Speaker. At this time I would like to move that we adjourn for the evening until 10 o'clock tomorrow morning.

[Motion carried; the Assembly adjourned at 10:18 p.m.]

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