Legislative Assembly of Alberta

Title: **Monday, June 9, 1997** **8:00 p.m.**
Date: 97/06/09

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

[Mrs. Gordon in the Chair]

THE DEPUTY CHAIRMAN: I would like to call the committee to order. Could I have everyone take their seats, please.

Bill 21
School Amendment Act, 1997

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Madam Chairman. I believe before adjournment we had been considering the amendment that would have included private schools behind charter schools in that section of the School Act. I think the arguments that were made at that time are the ones that we think are important to draw to the attention of the House.

[Motion on amendment A5 lost]

THE DEPUTY CHAIRMAN: The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Madam Chairman. I would like to move that we adjourn debate on Bill 21.

THE DEPUTY CHAIRMAN: Having heard the motion by the hon. Member for Medicine Hat, all those in favour? All those that agree, please say aye.

SOME HON. MEMBERS: Aye.

THE DEPUTY CHAIRMAN: Opposed?

SOME HON. MEMBERS: No

THE DEPUTY CHAIRMAN: It is carried.

Bill 10, Local Authorities Election Amendment Act, 1997. Hon. Member for Calgary-Buffalo, would it be all right with you and the members of the Assembly if we revert to Introduction of Guests?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Go ahead, Edmonton-Calder.

head: **Introduction of Guests**

MR. WHITE: Madam Chairman, I rise today to introduce two members of my former constituency – they haven't moved; my constituency in fact moved – Walter Belcourt and Sheila Bannert. They are in the public gallery, if they'd rise and receive the warm welcome of those that are assembled here tonight.

Bill 10
Local Authorities Election Amendment Act, 1997

THE DEPUTY CHAIRMAN: Calgary-Buffalo.

MR. DICKSON: Thanks, Madam Chairman. Dealing with Bill 10, I think the Opposition House Leader has done a good job of going through and highlighting at second reading a number of specific concerns. What we want to do at this time is tender some of the amendments that the opposition have determined would be necessary to address the oversights, shortcomings, or deficiencies with Bill 10. What I'll do, if I can just . . . We'll get one of the clerks to start distributing the first amendment, which I'm moving in the name of and on behalf of my colleague from Edmonton-Glenora. I just draw members' attention that if one looks at Bill 10, section 10, the proposal is to add after (b) a new (c). So this is a new addition that isn't currently in the Bill, to add: "(2.1) Subsection (2) shall not apply to a regional health authority."

The reason for this is that it was deemed important that subsection (2) – there were some problems with it in terms of giving the government a degree of control and discretion that the opposition has determined ought not to exist. That's the reason why the amendment being distributed would exempt regional health authorities from the ambit of the Bill.

I think all members understand that the local authorities Act governs and deals with a number of different kinds of elections in terms of different local bodies. I think it was determined by the opposition that regional health authorities are in a different position qualitatively. It was determined that the regional health authorities, which spend about 2.2 billion tax dollars, Madam Chairman, in fact ought to be treated in a different fashion. Some of the discretion that exists in the Bill in terms of the kinds of elections that may be called are unacceptably vague, and it was simply determined that we could do much better by adding the new subsection (2).

I think the amendment has been distributed to all members now. I'd propose it be called A1.

THE DEPUTY CHAIRMAN: I concur.

MR. DICKSON: Fine. Thanks, Madam Chairman. So we can refer to the amendment as A1. I expect that there are other speakers, and I know that at least one of my colleagues is keen on speaking to this important amendment. I see that she's in the process of organizing her considerable number of thoughts that she has on this amendment.

So while she's organizing her thoughts, I'll just add the importance of understanding, when we look at the 17 regional health authorities in this province spending $2.2 billion, how important it is that they not be treated simply like another local authority. They in fact are an operating arm of the Department of Health. They deal with some of the most important kinds of decisions that affect Albertans as well as a very large percentage of the $3.9 billion budget for the Department of Health. Albertans understand why that's important and why the flexibility in subsection (2) should not apply to a regional health authority.

Now, it may be that there are members who have some particular issues or concerns relative to amendment A1, and if so, I hope they'd share those concerns with us before we get to the vote. It may be that there is some clarification that would be helpful in terms of making it clearer to members what Edmonton-Glenora wanted to achieve with the amendment that's currently before us. The key, of course, is just recognizing that there's some special attention that has to be paid to regional health authorities. That is not the case in the current Bill 10 as it's in front of us.

I expect that now there are other members anxious to speak to

this. Members have so much they want to say that I see they're still organizing their thoughts, Madam Chairman. I want to tell you that this is going to be a blockbuster debate we're going to hear momentarily. In fact, I can barely manage my excitement in anticipation as I see the rustle of activity around and behind me, members frantically making sure they get every single important note on their speaking notes so that nothing is left off and that we've got truly exhaustive coverage. That's one of the reasons we're indebted to my colleague from Edmonton-Glenora for crafting this very important amendment to treat regional health authorities in the special way that's been designated.

One might suggest that part of the problem goes back to the excitement that Albertans experienced when the government first announced they were going to consider electing regional health authorities. Many people thought that would be an important issue, a matter of rectifying something that was sorely missing in terms of giving local health authorities a kind of legitimacy they didn't have so long as they were solely a creation of the Minister of Health. Madam Chairman, I remember the Calgary regional health authority doing their initial budget. It was submitted to the Minister of Health, who didn't like it very much, and it was sent back. The regional health authority, which had done the best job they could in terms of preparing their budget, had submitted it in good faith, reflecting, if you will, local priorities, to use the wording and the language of the provincial government. But, lo and behold, what we found was that the Minister of Health didn't like it, sent it back, and told the Calgary regional health authority to rework their budget. Well, so much for local independence. So much for people speaking out in terms of the interests that are important to them on a local basis. That's why it's important that we want to ensure that regional health authorities – there are no ifs, ands, or buts – must in fact be subject to some mandatory controls.

With that, I know there are other members that are going to join the debate now, so I'll take my seat and listen with keen interest to what's to follow.

Thanks very much, Madam Chairman.

8:10

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Madam Chairman. I found my seat, and I stand to speak to the amendment on Bill 10. This is the first of a series of amendments for us. I support the amendment. Certainly I think we should be adding the following after subsection (2): that "Subsection (2) [itself] shall not apply to a regional health authority."

If we take a look at the Bill and we go to page 4 and talk about subsection (2), it talks there about the situation where you may have a case where sufficient nominations to fill the vacancies on the authorities are not received, and then immediately the minister should be notified, who can then "recommend a change in the status of the local jurisdiction or any other action he [or she] considers necessary." Well, for us that's a real problem when you're talking about regional health authorities.

We think there needs to be members elected to the authorities. In fact, we believe that all of the members should be elected, and if there happens to be a vacancy that for whatever reason may occur, we do not think that then the minister should have the jurisdiction to be able to make some other kind of decision. Some other kind of decision could be appointing someone. They could delete that position forever from the board. They could leave it vacant and not go out and seek someone to fill it and then in the future have an election when they did have sufficient people who were interested in filling it. They could in fact change the status, and we wouldn't want the status changed whereby possibly that elected position could be lost forever or so that the makeup of the regional health authority could be changed in some temporary or permanent fashion or so that there is now more opportunity for the minister to appoint people there. Certainly that, we believe, would not be in the best interests of the people of this province when you're dealing with the regional health authorities.

For those reasons I believe that this amendment is very important to be put forward tonight to change and to help strengthen the Bill and to help regional authorities more properly represent the constituency that they're there for.

So with those words, Madam Chairman, I'll take my seat and see if anyone else wants to speak to this.

DR. NICOL: Madam Chairman, I rise also to speak in favour of the amendment. I think this is really important. The issue that I wanted to bring out here is the possibility that as we see a vacancy occur in terms of the nominations that are necessary for the proper filling of a vacancy for the members of a board, what we'll see is that the minister may use this as a mechanism to indicate that the community doesn't have enough interest in the elected process. They'll go back and revert to the idea that because of this inability at a particular time to find enough interest in the community to fill a nomination because of all kinds of different issues that come up in terms of nomination dates, they may use that as justification to move off and return to the idea of appointed boards and remove the opportunity for democracy to play a role, in terms of the issues that come up, in replacing people who are going to be spending our money. They've got to be accountable back to the people of the community, and thereby they have to be elected. I don't want to see the Bill in any way encourage or promote or provide an opportunity for a minister to in any way reduce the number of elected officials that serve on these boards.

So that's the concern that I have, Madam Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thanks, Madam Chairman. Just a few comments in support of the amendment. It's important how those nominations are filled. The regional health authority elections are going to be very special the first time around, and we would like to think that every effort will be made to ensure that there are adequate nominations to fill all the positions that are going to be made available. We feel that it would be just too easy for that not to happen and the minister to end up making those nominations, which would virtually be the kind of situation that we have now with the government appointing all the members of the authority.

I think it's an important first try for nominations for regional health authorities. I think we're all going to be interested in the people that come forward to fill those positions. I think it's abundantly clear that accountability back to the local community in terms of those health authorities is really something that is badly needed in the province. If we look at the kinds of problems that the health care system has faced in the past number of years, if we look at the kind of public outcry there has been about health care and health care services that have been provided, these elections are going to be extremely important, and I think it's imperative that they not be somehow diminished by the minister

making the appointments. I think it would be a good move on the part of the government in terms of all appointed boards to look at where they may be more properly selected by the citizenship at large.

For those reasons, I would encourage all members to support this amendment, Madam Chairman.

MR. DICKSON: Madam Chairman, I just wanted to add. With the existing section 31(2) there's a very strong paternalistic note that might well make some sense or might have historically made some sense. When one looks at the importance, for example, of the Calgary regional health authority that spends approximately three-quarters of a billion tax dollars – it's a few dollars less than what the entire city of Calgary budget is for a given year – it just seems to me that what we're doing is we're raising the bar. We're saying that it may be that there has to be a more proactive approach in terms of advertising for nominations, in terms of letting people know that there are vacancies in regional health authorities. That ought to be the first line of approach, not relying on the minister to go and simply fill in vacancies. That's not acceptable in 1997, given the importance of regional health authorities and what they do.

So I encourage members to support the amendment from Edmonton-Glenora. Thanks, Madam Chairman.

THE DEPUTY CHAIRMAN: Edmonton-Centre.

MS BLAKEMAN: Thank you, Madam Chairman. Just a few brief words. This brings to light a situation that I've seen a couple of times. I think to preface this, if the government is willing to have two-thirds of the positions on the RHAs by election, then I think they'd want to follow through and remain consistent with this. As the hon. Member for Edmonton-Ellerslie pointed out, there are a number of other possibilities of choices the minister could make, if it was entirely at their discretion, which would not be following in a nomination electoral process.

My experience has been both working for boards and sitting on a number of them. If there is a reluctance for people to put their names forward for a nomination, it's indicating that there's a structural problem, that there's either a problem with the process itself or with the organization, and it's a really good warning signal to the people that are concerned about the organization that they need to look at why people are reluctant to put their names forward for nomination. Whether they are no longer interested in the organization or whether they are concerned and are reluctant to get involved because there is some problem with the organization, it is a good warning system. As long as you have your commitment to election in there, you're going to follow through and find out what it is that needs to be fixed so that people are willing to put their names forward. So that's just one small example of why I think this particular section is valuable, and I just wanted to bring it into the debate.

Thank you, Madam Chairman.

8:20

THE DEPUTY CHAIRMAN: Are you ready for the question? Does the Assembly agree with the amendment deemed A1, as proposed by the hon. Member for . . . I'm very sorry. The hon. Minister of Municipal Affairs.

AN HON. MEMBER: We want the question.

MS EVANS: Thank you very much. Madam Chairman, I'd love to call the question, but I want to just clarify on the proposed amendment that in actual fact if all of the rest of the universe doesn't unfold as one would hope – in other words, a number of people come forward to present themselves for an election – the intent when we brought these amendments forward was to address those circumstances when there was not anybody available. There must be a process to deal with insufficient numbers. As I have already indicated previously in circulation to the members, there is still a review process for the election and selection of regional health authorities.

I just want to reiterate that our process here was intended to address some of the other concerns, albeit that it's certainly your privilege as members to bring forward those things to highlight for the Minister of Health and for myself to consider for any future amendments. The hope we had of passing this Bill on this occasion was to enable local municipal authorities to get their plans under way for conducting elections next fall.

THE DEPUTY CHAIRMAN: Thank you, hon. minister.

The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Madam Chairman. Just in response to the minister's comments, we have no problem with the Act as it applies in every other instance except in terms of the regional health authorities with regard to any potential vacancies there. We just feel that it isn't in the best interests of the area for the minister to have that specific kind of power at that point in time. Certainly there are processes in place so that if you've got vacancies, you can start to fill them. We agree with that, and those ones should remain in place. But in terms of specifically identifying additional powers for the minister in that regard, we feel that that is not in the best interests of the local authority. So for that reason, we brought in the amendment just to delete it in this specific instance. Aside from that we agree with the intent of the Bill.

[Motion on amendment A1 lost]

MR. DICKSON: Madam Chairman, our colleague from Edmonton-Glenora has been particularly diligent and has shared with us an additional amendment, that I believe is distributed already.

Madam Chairman, if I can invite the Table to have the pages distribute the next amendment. There's a penciled number 2 in the upper left-hand corner.

THE DEPUTY CHAIRMAN: Hon. Member for Calgary-Buffalo, we will do that.

MR. DICKSON: Fine. Thanks very much.

THE DEPUTY CHAIRMAN: The Table will call this one A2.

MR. DICKSON: Thanks, Madam Chairman. With your permission I'd carry on in terms of introducing this amendment from my colleague for Edmonton-Glenora.

I think the concern that many of us had in looking at the proposed new section 48(1) comes from some of the discussion that those of us who have the privilege of being on the Legislative Offices Committee had wrestled with when we were looking at creating a permanent electors list in the province of Alberta, one that would mesh with the federal electors list. One of the compelling reasons was that at some point we would have a voters

list that would be suitable for municipal elections, provincial elections, and federal elections.

There are two dimensions to this problem, and both of them are manifest in the amendment in front of us. The first one is: there has to be uniformity. There has to be uniformity in the way the information is gathered; there has to be uniformity in the data banks that are used in assembling a voters list. We can't be using some data sources in one municipality in one part of the province and different data sources in another part of the province.

What was important to the Standing Committee on Legislative Offices was to ensure that there was due respect for the privacy of Albertans and private information. We considered at the standing committee level a whole range of information sources, data sources. Someone suggested motor vehicle records. Somebody suggested health insurance records. Somebody else talked about postal information, land ownership, and motor vehicle registration. The committee and indeed a subcommittee went through and screened those different data sources, data banks to determine what made sense on a provincewide basis when we were creating a provincewide voters list. We gave some direction to the Chief Electoral Officer that respected to the maximum extent possible protection of personal data.

Despite that very – I wasn't going to say painful or tortuous – detailed consideration, now what we're in is the provincial government would have us turn over holus-bolus to local authorities basically the decision on how they're going to create their electors list. So I can't reconcile, Madam Chairman, that exercise we went through so carefully through Legislative Offices with this carte blanche that we're giving local government authorities now. It's my respectful submission that we've got to be able to use a . . .

Chairman's Ruling
Decorum

THE DEPUTY CHAIRMAN: Hon. member, I am just going to interrupt you for a moment.

It is starting to get fairly noisy in here. I would ask those that want to have private conversations if they could take them outside the Assembly. We are listening to the hon. Member for Calgary-Buffalo in debate, and I do want to hear him.

Thank you.

MR. DICKSON: Or at least ignore me in silence. Thanks, Madam Chairman.

Debate Continued

MR. DICKSON: The concern, however, is, as I say, that there has to be a standard means of collecting a permanent voters list, and it should be consistent from Peace River to Taber. You can't be accessing data sources and sort of doing a hobgoblin mix and match approach provincewide. It should be consistent. It should be standardized. That's what this amendment aims to achieve, because it doesn't exist now in the Local Authorities Act nor in the Bill 10 amendment package.

That concern for a standardized process and one that adequately respects the personal privacy of Albertans drives also the sub parts, sub (b) and sub (c), of the amendment. As members can see, the first part of the amendment in front of us, A2 I guess we're talking about, goes into section 48 and eliminates clause (b) because that's too vague, and that would allow for disparate systems, different kinds of data in different parts of the province. In the view of the Official Opposition that's unacceptable. The (b) part would amend section 15 "by striking out clause (b)." That's the one which now is going to add: "and provide for the use of information from a permanent electors [list], if any." I think the point is that either we're moving to a permanent voters list or we're not. If the minister's problem is saying, as the government has done with freedom of information, that there has to be some sequencing and that there are different levels of readiness, there are certainly alternate ways of achieving that without creating such an open-ended formula as is presented to us. Certainly the (b) part of this amendment would clearly address that.

8:30

Finally, in terms of clause (c) of the amendment, there is an addition, and if people look to the penultimate page of the Bill, page 14, we'll find that there's a new 38.1 that would be added to amend section 161(1), which would add in effect a new provision to section 159.1, which would say:

> (e) prescribing procedures and forms governing the enumeration of electors and any other methods of compiling and revising a permanent electors registry.

So let's be real clear on what this amendment does. [interjections]

Madam Chairman, what we're trying to do with the third element of the amendment is that we're taking the discussion . . . [interjections] You know, you have no idea, Madam Chairman, what fun it is to be associated with colleagues who find more entertainment in an amendment to section 38 of the Local Authorities Election Amendment Act, 1997, than virtually anything else they could do on a Monday evening. I just want to take a moment and acknowledge that.

In any event, Madam Chairman, to get back on the amendment, really what we're trying to do is take the discretion away from local authorities. We're creating a standardized system of a permanent electors list. It will be prescribed by the regulations of the province of Alberta so that it will apply to every local authority. We're not going to get into this opt in, opt out hobglob arrangement of different rules in different parts of the province. For a province and a provincial government that talks about the beauty of simplicity, about standardization, why wouldn't the government have embraced that in the first place? It's a puzzle to me. It may be that the Minister of Municipal Affairs can share with us why it is that in this province that is able to do so many other things on a standardized basis, we can't move to a permanent voters list that's going to be composed of the same elements right across this province. It's not a lot to ask. I think it's important that we do that because it may be that some local authorities are not going to be as alive, as alert as the provincial minister will be as to how we respect the privacy rights of individual Albertans.

Recognizing that certainly for the next municipal election, the next election held under the Local Authorities Act, the freedom of information Act won't apply so we don't have those kinds of benefits, who's going to be protecting the privacy of Albertans if this amendment doesn't go through? If the amendment goes through, the responsibility then rests with one person, and that's the Minister of Municipal Affairs. Without this amendment we've got to look all over the province to see a host of different standards, different approaches. Some of them may make sense, and some of them may not. Some of them may respect privacy rights of Albertans, and some most assuredly will not. That's the proposition in front of us.

I know that there are other members who wish to join in the

debate because this is an important one, so I'll take my seat and wait for other members to join in. Thanks, Madam Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Madam Chairman. While this amendment is in some degree of detail, the intent of it is really very simple. It has to be in this kind of detail because of the way the Bill was written, and we would look to some form of streamlining in the future to a Bill of this nature.

Now, the intent of the Bill truly is just to streamline and standardize a voters list. I think there are all kinds of problems with not having a consistent format that is mandated throughout the province in terms of establishing a voters list, keeping it updated, and ensuring that the privacy requirements are met. It's critical that all those issues be highly regarded in terms of putting this Bill out in the province where it's going to be acted upon by a number of different municipalities.

I think that standardization of format is important in this regard for the privacy issue but also because of the costs of administering this kind of program. If each district or municipality has a different format for collecting the information and then protecting it and updating it, the administrative costs are going to be horrendous. Certainly with the kind of downloading that's occurring in local regions right now, there's no one who can afford to keep that up with any kind of consistency, and certainly there is absolutely no way on the face of this earth that they're going to ever be able to ensure that privacy is adhered to.

If we take a look at agreeing to this amendment, then what it means is that all of the electors lists are compiled in the same manner that we're now seeing the provincial and federal enumerators list coming forward. While it isn't perfect and I believe there are some bugs to be worked out of that system, it is a long step forward in terms of bringing forward something that's standardized, that is cost-effective for everyone who could possibly be using it in the region.

For those reasons I would ask all members in this House to support this amendment.

THE DEPUTY CHAIRMAN: Are you ready for the question?

The hon. Minister of Municipal Affairs.

MS EVANS: Madam Chairman, I can't let some of those comments pass without giving at least one interjection. The arguments that are being raised on behalf of the amendment take municipalities out of the process. Quite frequently when I was a local elected official, I had the belief that people that voted at the time they cast their ballots in local elections were equally as important as the people that cast their ballots for provincial and federal representatives. What we have here is a denial of the importance and the credibility of local elected officials to predetermine what's best in their municipality.

I'm fully aware that the city of Edmonton has had the request in front of this member to go ahead and give us a permanent voters list, but in fact the larger number of municipalities across Alberta say that it's simply unaffordable, unworkable. They want the flexibility within the legislation to predetermine that.

Thank you.

MR. DICKSON: Madam Chairman, I'd have to ask the Minister of Municipal Affairs: who is her constituency? It's Albertans and the Albertans' right to vote, not local government officials. I respect her long and distinguished experience at the local government level, and I understand that that certainly would shade her perspective considerably. We have the advantage of many members in this Assembly who come with local government experience, but the point is that in the Constitution Act, in the Charter, section 3, it talks about the right of Albertans to vote. It doesn't say, "subject to the whims, caprice, discretion of local government authorities." It doesn't say, "subject to what barriers, standards, or processes may be created by different levels of government." It's a right to vote and that's what we're talking about municipally.

It's the same elector. You know, the Provincial Treasurer has said so often: there's one taxpayer in Alberta. Well, there's also one elector, and that one elector, whether it's in Fort Saskatchewan or in Calgary, is the same elector. If that elector has elected a provincial government which is in the process of creating a permanent voters list, has elected a federal government which supports a permanent voters list, are we now to say that in Three Hills, Alberta, because the town council has decided they don't like a permanent voters list, they can opt out? I don't think that's what it's about.

I'd say with the greatest respect to the Minister of Municipal Affairs that we're confusing who our constituency is. The constituency is Alberta voters, not Alberta local government officials. This isn't about disrespect for local government officials, but if we're going to have a permanent voters list, it should be comprehensive, it should be consistent, and it should be standard.

8:40

This notion of opt in, opt out makes no sense. I understand that that may inconvenience some local government officials, but I'm sorry. When it comes to something as basic as the right to vote, this is something on an entirely different level. Qualitatively it's a different kind of right, and I expect the Minister of Municipal Affairs and indeed all members to respect that, protect it, and that's what these amendments do. They clearly take away a power from local government. It's implicit if not expressed in the amendment. It does take away a power that the Bill would otherwise give local government officials, but if we accept the reasoning and the power behind the citizen's right to vote, that's what we should be respecting here. That's of the higher order of importance, and this amendment recognizes that and animates that very expression, that very concern.

Thanks, Madam Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Calder.

MR. WHITE: Yes, Madam Chairman. The amendment is quite clear. My hon. colleague from Calgary-Buffalo has pointed out that this is a restrictive clause on the municipalities, but the fact is that this is a restriction that's required. I mean, if you're going to have a voting system across Alberta, then have it across Alberta. What's the effect of an Act where a municipality can pick and choose? I can't see any circumstances by which a community, every community and municipalities that manage those communities, cannot maintain a permanent voters list. I mean, how can it be? I don't see the circumstances, having had a little local experience myself. It's not a power that should be given to a municipal council to say yea or nay to a permanent list. It is something that is going to be and should be a fundamental of

that government. It's a requirement of the Act, and it should be across the board.

There doesn't seem to be any rationale that I can see, and I did my best to try and understand the circumstances under which it would be permissible to opt out. I cannot. I haven't heard any explanation from the minister to say how and what circumstances it could be. I can see only one small area that one might consider, and it's a matter of time, getting to that point, but the enactment of a section of the Act under the minister's recommendation can be held in abeyance until such time as it's a reasonable thing to expect all municipalities to do.

Quite frankly, we've just had a provincial election and then a federal election. Presumably those electors have been counted not once but twice now and assured themselves that they do have a right to vote and have registered that on two occasions. Surely a municipality, using the same information, can in fact file a reasonable plan to get their house in order to create a permanent voters list. I can see no reason why every municipality could not comply in a reasonable length of time and, yes, certainly less than a year out, Madam Chairman.

[Motion on amendment A2 lost]

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Madam Chairman, I don't want anyone who noticed that hesitation from members on this side in voting for the amendment of the Member for Edmonton-Glenora to think that there was any ambivalence on the part of my colleagues to support the Opposition House Leader's fine amendment. I think my colleagues are simply so thoughtful that they were trying to understand why it is that the government wasn't going to support it.

There's a further amendment currently being distributed, Madam Chairman. I know everybody has got the Bill open at their desk and are frantically reading through it, but if people would turn to page 5, section 14 in Bill 10, it says: the following is added after section 48.1.

This is a really simple amendment. I expect the Minister of Municipal Affairs may have some difficulty with this, given the interesting perspective she raised a moment ago, but I think if she considers that we're trying to have a standardized procedure here when it comes to local elections, what the amendment would do – and I'm going to propose it be called A3, Madam Chairman.

THE DEPUTY CHAIRMAN: Yes. A3.

MR. DICKSON: Fine. Thanks very much.

What A3 does is remedy an unacceptable vagueness in the proposed new 48.1(2), which currently reads, "If a by-law is enacted under subsection (1)" – this is the one dealing with the permanent electors list – "the municipality may enter into an agreement with the Chief Electoral officer under the Election Act" to do some other things. Well, if we're going to have a permanent electors list in this province, if we're going to use the standardized process, then why, Madam Chairman, would we allow local authorities to opt in or opt out? This is particularly consistent with the last amendment, which I saw members wavering on and leaning towards, but the vote perhaps came prematurely. I think in reflection there may have been more support for it if members had a little longer to digest and consider the value in it. So this is a chance for members to catch it second time by, because we have a chance to do something that we tried to do in the first one.

What it means is that a municipality must "enter into an agreement with the Chief Electoral Officer under the Election Act." To do what? Well, to do two different things:

> (a) to receive from the Chief Electoral Officer information that will assist the secretary of the municipality in compiling or revising the permanent electors register, and
>
> (b) [the authority] to provide to the Chief Electoral Officer information that will assist the Chief Electoral Officer in . . . compiling or revising the register of electors under the Election Act.

Madam Chairman, perhaps I can indicate why I respectfully submit that this is important. What happens is that under the scheme contemplated and presumably propounded by the Minister of Municipal Affairs, what she would have is in some cases a permanent voters list in some communities and in other communities no permanent voters list. She would have in some communities a voters list prepared only by accessing certain safe data sources. In other municipalities they would be able to access whatever they get from the local direct-mail solicitor, whatever list they could buy. They may decide that the *Alberta Report* subscription list would be an appropriate basis for compiling their permanent electors list.

Madam Chairman, I think many of us would find that not acceptable. I think that what would happen is in some cases you're going to have a very good electors list, prepared with sound information that would be up to date, would be current, would be comprehensive, and then for that community that had perhaps used, for example, the *Alberta Report* circulation list, we might well have found that it's a very different kind of data base altogether.

So on this side of the House we think, for the reasons mentioned earlier, that it's Albertans' right to vote and that the municipality's job is to facilitate that right to vote, to have a standardized voters list. We know that the Chief Electoral Officer is alive to the whole host of privacy concerns in a way that may be perhaps less certain if we're depending on several hundred different local authorities. It just makes sense that if it's important to do it well, it be done in a standardized way.

8:50

I guess the other thing I'd just throw out as an additional inducement to those members who may be wavering and aren't persuaded yet is that there should be enormous cost savings in doing a standardized voters list. This ought to appeal to the most mercenary member of the House. The minister of advanced education, I'm sure, understands the value in having a standard process which is as applicable in Lethbridge-West as it is in Calgary-Buffalo.

[Mr. Shariff in the Chair]

So I think all those reasons would make good sense to take away the discretion, to make it mandatory. It's consistent with this whole approach of Albertans' right to vote being something that's sacrosanct, something that's more important than whims of local government bodies, and it's more important even than a legislative oversight by the provincial government.

I expect there'll be other members that wish to be heard on this issue as well. I'll take my seat now, Mr. Chairman.

Thank you.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you for recognizing me. I am speaking in support of this amendment. I think it's very important, seeing the defeat of the prior amendment, that we at least put some safeguards in this particular section of the Bill. By stating that the municipalities "shall" as opposed to "may" is a very important word change here. Without having "shall" in here, then certainly municipalities may or may not, as they choose, establish permanent electors registers.

I think it's very important that a permanent list be established, because the cost of redoing those lists every few years is a horrendous burden. Of course, it depends on the time of year that you do it, as we saw with the registry that happened for the provincial election last fall. The weather was cold. People were not at home. The lists were not very accurate when they were completed, and that caused a number of problems for people when they went to the polling stations to vote in the spring.

Certainly establishing a base list that you just had to update, given the kind of flexibility people have in their lifestyles now and the fact that they are not at home much, would make it much easier to have a concrete, set list of people who do reside in an area with the ability to update it at a minimal cost, which I think is very important. I can't imagine why municipalities wouldn't support this being a part of their mandate in terms of establishing lists.

Then in talking about prescribing

> procedures and forms governing the enumeration of electors and any other methods of compiling and revising a permanent electors registry,

it only makes good common sense to insist that that shall happen, not that it may be there at the discretion of the municipality. What happens if you happen to live in a municipality which is in a severe cash crunch? Then the manner in which they cut costs may address this particular aspect of their cost-saving measures, and we may see that some municipalities tend to start to get behind in terms of updating and keeping the registries.

It would be a very easy thing to just sort of slip through the cracks and not address until next year, when potentially you'll have more money. Well, sometimes that can cause great problems in the future. We think that if they have a consistent standard that all must adhere to, in the end it will cost less money, not more money, for these municipalities and will in fact give them a very concrete, consistent list of the people who reside in those areas.

So for those reasons, I urge everyone to support this amendment.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Right. Thank you, Mr. Chairman. I just want to speak briefly to this amendment A3 on Bill 10.

This has been a very interesting discussion that we've had thus far about having a permanent voters list through all three levels of government. I think it's a good idea. My personal experience, having volunteered in a number of capacities on three different levels of elections, is how confused people get about: what's the criteria for this one? Are the polling stations changed? The criteria is slightly different on every one. They really are confused, and they would like to do a good job. They'd like to turn up at the right time and the right place, voting for the right party, but there are a number of conflicting things.

It strikes me that there could be a synthesizing of this process and a standardization of it that would be very beneficial to the public, to Albertans at large, and also a number of cost-saving measures associated with that: the printing of forms, for example, training of enumerators and voting poll station staff, developing of manuals for the training of that sort of thing. If you're only having to do it once, you're going to save a lot of cost on the development and printing of that. As well, if all levels of government are doing it, you have a fair bit of expertise out there. If, for instance, municipalities are struggling with implementing some of the material, they can get help and suggestions from other levels of government.

It strikes me that this is a beneficial amendment on a number of different levels, both for the simplification of the process for the electors and for the cost saving and streamlining of the process for the different levels of government that will be involved in this.

I would ask that the Assembly do support this amendment. Thank you.

SOME HON. MEMBERS: Question. Question.

THE ACTING CHAIRMAN: Are you ready for the question?

Are you standing up to speak?

MS LEIBOVICI: I am.

THE ACTING CHAIRMAN: The Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you. I, too, rise to speak to this particular amendment and to the concept that this amendment puts forward. We have looked at two other sets of amendments that were placed before the Legislative Assembly and which, unfortunately, were voted down. It puzzles me as to the reason for the inability to have a voters list – that is, a permanent voters list – across the province. We know that the province has made an arrangement with the federal government whereby there is a permanent voters list, and in fact we are all here as a result of that voters list, in some cases perhaps in spite of that voters list. That selfsame list was used in the federal election. We know that next year there will be a municipal election, every three years in this province on a fixed date, and that's something we need to talk about in this Legislative Assembly as well: the pros and cons of having fixed election dates.

Now, I know that the minister did indicate – and I thank her for clarifying the viewpoint that was put forward in drafting the amendments to this particular Bill – the need for local authorities to have flexibility. But the reality is that if one were to look at it as a purely fiscal, bottom-line figure, there is no reason that a municipality would not want to partake of the permanent voters list.

Now, we all know that this government prides itself on being fiscally prudent. We know that the government wishes the municipalities to operate within their budgets and therefore to be fiscally prudent as well. I do not see that it is an infringement of the rights of municipalities if through this piece of legislation the word "may" was to be changed to "shall." In other words, there shall be a permanent voters list, and that voters list can well be the same voters list that has been put forward by the Chief Electoral Officer.

As I indicated at the outset, I am puzzled as to why this government in particular would not have that permanent voters list

be applicable to all three levels of government. There does not seem to be any good reason for that not to occur. Now, it's my understanding – and perhaps the minister with her background can correct me. In talking with the Member for Edmonton-Mill Woods, he indicated that when he was chair of the school board here in Edmonton, in fact the process for determining the electoral list was mandated by the provincial government, that the process for determining electoral lists therefore for municipalities – and the Member for Edmonton-Calder can indicate whether that is incorrect with his many years of experience on municipal council. I do not think that the municipality of the city of Edmonton has the ability to choose what method they wish to enumerate voters on. There was one consistent method across the province.

9:00

So, again, there is a permanent electoral list. It's sitting at the Chief Electoral Officer's office right now. There have been updates made to it because of the federal election. That list is updated. Why would we have municipalities potentially going through the efforts and the costs of putting together a new list with the enumerations that are required? Because there are fixed election dates for municipalities, as we know, within this province, perhaps a good idea is to tie in that process of enumeration that would make it, let's say, once every two and a half years to update the permanent list, and thereby you're tying in a process. You've got a cycle. You know that every two and a half years there will be an updating of the permanent list that can be used in conjunction with provincial and federal elections. You could share the costs amongst all three levels of government. I think that makes a whole lot of common sense.

Sometimes when we're looking at pieces of legislation taken in the abstract, taken as, "Well, it looks like this is a good theory, that we will be providing municipalities with the ability to make their own decisions," the theory is good, but taken in the reality of what the legislation could provide, taken in the reality of what the situation could be in this province in terms of maintaining a list, in effect I think this amendment and the amendments previous to it would be able to do that.

I think there are a number of issues like this that are worth while looking at. There are a number of areas where I think there can be real co-operation between the three levels of government. On this particular issue there are the rights of the voters as well as the needs of the municipalities and the province and the federal government that need to be looked at. I hope that this amendment will pass, but if not, I have every confidence that this minister will look at some of comments that were made on this side of the House and perhaps utilize some of those ideas in ensuring that the electoral list in this province is maintained and is conducted in an efficient and effective manner.

Thank you very much.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Calder.

MR. WHITE: Thank you kindly, sir. I, too, rise on this very important amendment. This is really pivotal in an electoral system in the electronic age in that we have modern communication with telephones and computers and the like, and you'd think we could keep one permanent record for all three levels of government. The appropriate level, in my view, would be the provincial level of course. To allow municipalities to pick and choose is not a reasonable solution. After all, we have but one taxpayer in all three levels of government, and it doesn't seem to be reasonable to spend their money unwisely at any level of government. If you're going to hone in and say: "Okay. Look; all three levels of government collectively are going to decide, yes, a permanent voters list is a reasonable thing and all the host of concerns as they relate to the privacy of a person don't enter into the argument" – you have the potential of three different lists being compiled, all three of which could run amok.

If you have but one manager – and I suggest that the Chief Electoral Officer for the province of Alberta be that one person that is in charge of such lists and the updating of such lists. That's really what a permanent voters list is. It's the updating of the last electoral list. That person, having been charged with the responsibility, could and should have the mandate to do it, not at the option of a municipality. It should just be done and presented as such. The municipality has enough on their hands organizing that which occurs on election day and all of the other ancillary matters that occur, places of voting and all that sort of thing.

Carving out some zones, if you will, or wards or areas can all be done and should be done well in advance and in conjunction with the Chief Electoral Officer. After all, a Chief Electoral Officer can and will maintain experts in the field, literally and figuratively in the field, figuratively being that they are experts in the areas in which they control the information and compile the information and, in fact, other compilers. But they're also in the field. You would expect one member of the staff to be in Wainwright. You would expect that person to know that Islay and Vermilion are very close together and how the regions will fit for the federal and provincial and municipal elections and how the polls are set out.

I would think that would be not a terrible job if you're going to do it once every four years. Surely you'd be able to go through the same data and come up with a municipal election in the boundaries as set out by the suggested – no, I suspect they wouldn't be suggested. They would be dictated by the magnitude of the number of members in a given area and a given municipality and how they choose them, whether they choose them by region or they choose them overall. That would be dictated by the local municipality, yes. But the actual voters that go on the voting list and the compiling of same and putting it on a data disk, which is becoming clearly the trend, such that they can be called up by any member of the public that is actually bona fide and running for the office so that they can access those voters would be a great deal of savings to each and every one of us, those voters out there and the taxpayers. There's no rationale that I can see, unless the minister can provide it for us, as to why there would be even an allowance for a municipality to opt out here.

I know the municipality that I've served for some nine years would jump at the chance to pay for this information and have it delivered in a form that's true and accurate, and they understand fully how to use it and to manipulate it into the regions which they wish to vote in. I'm sure they would be most happy to pay a handsome price for this kind of information, to know that it was updated and that they wouldn't have to bulk up the staff every three years in order to get this particular job done. It would be done and delivered. Therefore, their staff complement would be maintained at a constant level, and they would not have to employ any more people than is absolutely necessary to keep their municipality going.

Now, I have spoken at some length about this particular amendment, "shall" or "may," but also of concern to me is the downgrading of the Chief Electoral Officer. Now, how is the Chief Electoral Officer of this province to set up a staff if a municipality gets to a municipal election and says that they may use the information, they may not, they don't know, they don't

have a date certain set? Then all of a sudden out of the clear blue, after having 48 municipalities say: no, no, we're not going to bother with the information; we're going to use the updated version of the last information; we don't want to pay you to keep your updated list which you must maintain in part any way – all of a sudden he's inundated with those same 48 municipalities three weeks before an election saying: oh, we need the data. Now, how is it going to be produced? How does that guarantee that each and every one of us that vote out there are going to be included accurately on a list and the deputy returning officers in our local area are aware now that we can use this information?

9:10

Quite frankly, I think it's folly to leave it open to the discretion of any municipality and see no reason why there should not be someone on the government side to at least explain to this humble member why this amendment should not be put in place to force the municipalities to do what is a reasonable thing in trusting the Chief Electoral Officer of the province of Alberta with the data and the deliverance of that data.

Thank you, Mr. Chairman.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you. Just a couple of points of clarification on this particular amendment. I appreciate the minister's concern that there are some people in the community who may need protection from being on the list. That's a valid concern and I think one that all levels of government have to address. I would think that issue would be better addressed by all three levels of government working together in order to protect people who need to be deleted from this for security reasons.

I would think that the proper place for that to be happening would be at the elections office, where those names could be manually deleted at one time. As soon as you start processing two different sets of lists, you have two different deletions that have to occur and two different sets of people dealing with the information, and the risk of breaching security in those issues increases each time you do that. I would think that certainly it's a valid concern. I would think that certainly it needs to be addressed on a united front, and that is the kind of thing that we're asking to be addressed in this amendment: that there's consistency and uniformity in the application.

[Motion on amendment A3 lost]

[The clauses of Bill 10 agreed to]

[Title and preamble agreed to]

THE ACTING CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE ACTING CHAIRMAN: Opposed? Carried.

Bill 17
Municipal Affairs Statutes Amendment Act, 1997

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Manning.

MR. GIBBONS: Yes. Mr. Chairman, I gave amendments to the Table, and I would like, as they get presented, to talk on A1.

THE ACTING CHAIRMAN: This amendment will be referred to as amendment A1.

Hon. member, you may proceed. Okay?

MR. GIBBONS: The first amendment that I'm presenting is to move that Bill 17 be amended in section 1(16) by adding in subsection (2) the following after clause (c): "(d) an amount not to exceed 50% of the gross contributions." The Charitable Fund-raising Act: this section concerns the percentage, the take, that goes to the fund-raiser. We're proposing the Bill be amended to 50 percent. Right now there's an 80-20 percentage. That means that if a major fund-raiser comes in and sets up, goes to a charitable nonprofit organization or even charitable and states that they will go out and fund-raise and make $2 million for that organization – the organization probably in the previous years struggled to make $100,000, and $2 million, a million dollars to them, is just fantastic dollars. But in actual fact the fund-raisers are making 80 percent, 80 cents on every dollar. We're suggesting by this that we put an amendment into this of 50 percent, also that the organization is made to disclose the amount of dollars that the person at the door or the person that they're going to in companies is contributing and so on.

I would hope that everybody would look at this and think that this is a good portion. We've looked at the rest of this clause under charitable. We have our different ideas on it, but we feel that we can live with the rest of the items on this. We have one more amendment on which we'll be talking about later, but the rest of the clause is what we're going to stand behind. So I'm going to sit down and let our other members speak.

THE ACTING CHAIRMAN: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Chairman. I'd like to speak to this amendment as well. When we look at the Bill and look at how we're going to make sure that the organizations in the community that contract with fund-raisers get a fair share of the amount that they have asked for, I think this is a Bill that really would go a long way towards making sure that the part the community gets is fair, into the 50 percent.

It's hard to believe that an organization, especially when they're raising large amounts of money, which they're doing for contract-type fund-raising efforts, can't deal with it in the context of a 50 percent share. We want to make sure that the community does get benefit for the efforts that they undertake to develop the community, to develop programs within the community. If we're ending up with anything more than 50 percent going off to the fund-raisers, this really is a drag in terms of the efforts of the community, because they have to take all of those dollars out of the community. Most of the times they leave the community directly and don't get involved in contributing to it.

The idea of having this kind of restriction that says that if they're going to come in and support the community – they have to be responsible. We feel that a 50 percent take off the top is more than adequate to cover their costs. We know there are a number of fund-raising organizations that do excellent jobs for community groups, and they don't take anywhere near the 50 percent, and they can get in there and deal with it. So we want to, you know, just have that cap, because if some organizations

can do it, can develop adequate fund-raising programs, programs that provide a feeling of community, a feeling of contribution, that's as important as anything, and they can still do it by dealing with it.

Now, if we're going to have to have issues where the fund-raising efforts constitute more than 50 percent, we have to start asking ourselves, you know: is this really something that the community supports, that the community is willing to provide dollars to support? Because the effort that is taken there to pull out those extra dollars seems to be very extreme.

9:20

Mr. Chairman, my background is as an economist, and we always talk about, you know, the benefits between costs and return. If you're going to be dealing with community projects, community fund-raising, and if you can't do it to get, in such efforts, at least a return equal to the cost of raising it, it seems to me that your marginal productivity of that kind of an activity is really quite questionable. I think this restriction that puts that 50 percent maximum on the amount that can be drawn off by an organization as a ceiling on their retention is very adequate and very fair, because as I said before, I'm aware of a number of organizations in the communities that can do it for a lot less. If we're going to get into a situation where the fund-raising becomes that costly and that expensive for an organization, we have to question the wisdom of the project that's being put in place anyway.

I'd ask all the members to really consider this and look at it for the betterment of the community. Thank you.

THE ACTING CHAIRMAN: Are you rising to speak?

MS BLAKEMAN: Yes, I am.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you very much. I just wanted to speak to amendment A1 to Bill 17. I think that a lot of improvements have been made in this amendment to the Charitable Fund-raising Act. I have indeed gone over this with members of the community that participated in it and overall a job well done.

There are just a few areas that have remained as a concern. Particularly, they're a concern to the uninformed that are out in the community. There are all kinds of wild statements about how much money is actually being spent in expenses by third party fund-raisers, how much money actually goes to the charity. Nobody really seems to know that, even some of the people that should know it.

I have certainly witnessed a number of organizations that, strictly speaking, have been taken enormous advantage of because there's such pressure on nonprofit groups in this day and age to raise a lot of money. Most of them are quite small and have very few staff, and they're also trying to actually do their business, whatever that could be, a helping agency or an arts group or a recreation group or whatever else, and they find themselves spending more and more of their time trying to raise money and less and less time actually doing the activity for which they were formed. Therefore, when a company approaches them and says: "Hey, great deal. You know, we'll raise this money for you. Just sign on the dotted line here . . ."

This Charitable Fund-raising Act did address a lot of those problems and abuses. I will admit that, and I congratulate the government for having taken the initiative on that. Again, the amendment Bill is bringing forward a lot of housekeeping and tidying up that's very valuable, but we have an opportunity here to put something in that I think will make a significant difference. There is still quite a potential for abuse from some of these third party fund-raisers, and putting this in the Act at 50-50 will ease the public's mind – although it would be nice if we had some advertising dollars or public education dollars to get the word out to people, because most people are quite unaware that even the original Act has been changed – about what the expenses are and how they're going about it, especially with the fund-raising events, less so on the individual solicitations, definitely on the fund-raising events.

So I would urge the Assembly to vote in favour of amendment A1. Thank you very much.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you. I, too, speak in favour of the amendment. I urge Members of the Legislative Assembly to look carefully at this and to think about all those groups within their jurisdiction, within their constituencies, that are engaged in fund-raising, whether it's in health care, whether it's in education, whether it's in the social services – especially with the privatization of social services, child welfare, that's going to be occurring – whether it's at the community league level. We all know that fund-raising is a fact of life in this province. It is not only for the extras, but it has become a requirement for basic necessities.

I saw just today in one of the news clippings that there's an advertisement by the Chinook health region, I believe it was, for a fund-raiser organizer position. It looks as if there's a whole fund-raising department within that particular health authority in order to ensure that there are services for patients within the Chinook health region. In fact, you then have large organizations that are receiving public dollars competing with smaller organizations that are potentially not receiving any public dollars. So there is a conflict with regards to that as well.

Now, the major concern that this addresses is the amount of dollars that a business – and if you remember, this Act talks no longer about professional fund-raisers but now talks about fund-raising business. Wherever the word "fund-raiser" was in the Act, that has now been changed to "fund-raising business." So there is an acknowledgement by the government through the department and through this Bill that fund-raising is now a business.

As we know, businesses are there to generate profits, but when you look at the profit margin of this particular business, which is the fund-raising business by legislation, the cap on this business is 80 percent of gross contributions. Now, just think. Is there any organization in this province that has a profit margin of 80 percent? I don't think anyone here can think of one business that has a profit margin of 80 percent, yet by legislation through this particular Act, which is the Charitable Fund-raising Act, we have mandated that you can have an 80 percent profit.

Let's just take a couple of figures. A community needs to raise $400,000 in fund-raising, which is a lofty amount of money, but it's $400,000. By our proposal they would have to raise not quite a million dollars, because they would then have $500,000. They would actually have more than their objective. Five hundred thousand dollars would go to the community, the area that wished to raise the money; $500,000 would go to the fund-raising

business. Now, by the government's Act, at 80 percent, this community would have to raise $2 million, because with the first million dollars $800,000 would go to the fund-raising business, $200,000 to the community. With the next million they would get their second $200,000, and that would give them $400,000.

Now, you think about some of these smaller charities that perhaps have a goal that is to build an Alzheimer's centre in a small community in Alberta, and $400,000 is not an unrealistic amount of money for the building of an Alzheimer's centre. They would have to generate $2 million, a fund-raising effort. By our proposal they could fund-raise under a million dollars. The fund-raising business would still get $500,000. I'd be happy with that. I think most Members in this Legislative Assembly would be happy with that. And the community would get more than their $400,000 that they thought they needed, so perhaps they could have some extras within this Alzheimer's centre.

Our amendment is again one that is grounded in common sense. Our amendment is an amendment that looks at what the needs of the communities are, that realizes that, yes, people who are fund-raising are generally not doing so out of the goodness of their hearts, but they're doing so because it is a business for them. As a result, yes, they need to be rewarded for their efforts, but our amendment says that 50 percent of gross contributions is enough of a reward for an effort with regards to fund-raising. It is more than any business within this province and, I would say, probably around the world makes in terms of a profit margin. So this is not an unreasonable amendment.

9:30

This is not an amendment that I think we are going to get a lot of outcry from the community. If anything, I think that the minister and the members of the front bench would get a collective slap on the back saying: yes, good; you have recognized our needs; you have recognized how hard it is to fund-raise; you have recognized that we are competing with each other. You have recognized that administration – and that is one thing that this government has put forward as one of its own platforms – and bureaucracies should not be the number one consideration when it comes to looking at organizations. It should be the front line and the needs in the front line. Well, within the fund-raising business the needs of the community, the needs of the individuals who are putting forward the projects are the front line. The fund-raising business is the administration, is the bureaucracy, and there has to be a balance there.

So a 50-50 balance is, to my mind, a compromise position. Some members may say that that is still too highly weighted in favour of fund-raising businesses. But the reality is that we need to look at what the needs of the constituencies are, what the needs are of the areas that require the dollars – and partially some of those dollars are required because of government cutbacks – what the needs are of the individuals in this particular area. As I said, my guess is that there would be one collective thank you arising from community leagues, hockey associations, peewee associations, 4-H clubs, scouting groups, and the list goes on and on and on, "Yes; thank you for recognizing the hard job that we have, thank you for recognizing our efforts, and thank you for ensuring that there is a cap of 50 percent of the gross contributions that is the top dollar that would be provided to fund-raising businesses."

So again I urge the minister in the front bench to look at this amendment. I recognize that at times it is hard to move quickly the wheels of government, and though this amendment may not pass in this particular session, I would be more than pleased to see an amendment coming forward hopefully in the fall session saying exactly this. I can just about guarantee that if that amendment were to come forward, the critic for Municipal Affairs on this side of the House would say: "Thank you. We're with you. Go to it."

So with those words I again urge all members to vote for this particular amendment.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Calder.

MR. WHITE: Thank you, Mr. Chairman. I rise to speak on this amendment because it is really quite important that the Charitable Fund-raising Act be quite explicit as to how fund-raising businesses actually operate. The section as drafted is a pretty decent section, actually. Section 29(1) I'm referring to is quite explicit, save and except it doesn't put a limit on the gross contributions that would be delivered to the fund-raiser for the fund-raising effort.

[Mrs. Gordon in the Chair]

Now, I have a little difficulty with that for a number of reasons, not the least of which that it could be very, very embarrassing for the government for sure and a Member of the Legislative Assembly in general to hear of some person being gullible enough to buy a song and dance from a professional fund-raiser that was going after funds for X, Y, Z charity and finding that 90 percent of those funds are delivered to that person's pocket as opposed to the charity for which it was intended. Now, it's one of the questions I ask on a regular basis when confronted with a fund-raiser, but then I've had the benefit of some experience dealing with the laws of this nature. Quite frankly, it bothers me that a government doesn't say: look; there are people out there that expect the government to protect the public from unscrupulous characters that possibly would develop a charity for the sole purpose of fund-raising, the fund-raising end being the most important end of the business and on the expenditure end 95 percent of the gross contributions go to the fund-raising effort and to the commission of the fund-raiser. Now, that seems to me just grossly unfair.

So, on the one hand, I say that it behooves the government to do something about it, set some limit. Maybe 50 percent is not the right one. I personally believe that that's way too high. It could be another limit, but certainly I would like to hear some debate on why it should be one or the other or what the opinions of members of this House are.

The second area of argument that I'd put in favour of this amendment is simply this. If it takes more than 50 percent of the fund-raising effort to afford to make that fund-raising effort commercially viable, then there must be something fundamentally wrong with the cause. On a normal business practice basis one would come across a charity that needs a fund-raiser and write a contract that would vary in the limit, either the specified amount or a percentage of the gross, such that it would make it commercially viable for that entity. Now, I would think that in some areas it would be a very, very low percentage, and in those cases this section would certainly not apply and need not apply. There's no reason for it at all.

There's a viable reason to have professional fund-raisers. The carrot out before them is to raise the funds and to tell a true story and to do it on their time and in managing their time and their effort. I can understand that. But when you get to a commercial

entity that says that the risk of raising these funds is so great that the only thing to do is to put forward a proposal that would be in the 80 to 90 percent of those gross contributions, then one must question the viability or the raison d'être, if you will, of the charity itself. I for one don't believe that there are charities in this society that need that kind of risk taking by an entrepreneur to make them viable. They should simply not exist. If you cannot raise funds by going to your friends and neighbours and putting your hand out and telling them the true story of a worthy cause without it taking above 50 percent of those contributions, then it's an error.

I would like to see this particular amendment put in place for, in review, two reasons. One is to save embarrassment to the government by the predatory aspect of fund-raising, which is seldom there but does exist. I'd like to save those people from being taken to the cleaners, if you will, to the tune of many, many thousands of dollars. The other area of concern, of course, is the commercial viability. There has to be some kind of a test of a charity, and I think a reasonable figure would be that 50 percent of those gross contributions go to the fund-raiser and 50 percent go to the charity. I would think that that is a reasonable limit and should be supported.

Madam Chairman, I'll take my seat on that note. Thank you kindly for your time.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Madam Chairman. I rise to speak in support of an amendment. This one states: "not to exceed 50% of the . . . contributions" going to the fund-raisers who are raising the money, but certainly I would support an amendment that even increased the amount of money that went to the charity as opposed to the professional fund-raiser.

Over the past 20-plus years that I've been involved in fund-raising, certainly I've seen these big machines with the big infrastructures roll in and raise large dollars for organizations that know how to contact them and are prepared to give up a large percentage of the proceeds. I have some problems in terms of supporting large infrastructures in companies when their intent is to raise nonprofit dollars. I think this amendment in fact doesn't go far enough. It should do more in terms of asking for a general disclosure to be made for every organization that's raising money, in terms of the percentage that's actually raised and then that which is returned to the charity.

9:40

I think if the average taxpayer knew how much money went to administration costs, they would be completely appalled. Certainly it then does become a form of taxation on the taxpayer to support charities and nonprofit organizations that were previously helped by the government. For you to now go to your pocket and have to give a dollar and 80 cents of that dollar goes to the organizational costs or some percentage like that, then that's a substantial tax that the taxpayer is now picking up. It would be cheaper if it were just in a tax levy from the government and assigned charities were given dollars. In fact, if lottery funds were assigned, as they had originally been intended, to nonprofit organizations, then we wouldn't be running into some of this dilemma for some organizations. Now when lottery funds go into the general revenue, there aren't as many dollars available to sports foundations and nonprofit organizations, and therefore they have to look elsewhere. Where they're looking elsewhere is right to us as taxpayers to ante up, and the administrative costs of doing that are absolutely abhorrent.

So I would hope that the minister will take under consideration in the future changing this regulation to require a more distinct disclosure for these fund-raisers who are raising this money. This question arose during debate, and subsequently our amendment was brought forward. But in answering the debate, the minister talked about, under the Act and section 6 of the regulation, that fund-raisers must disclose costs of fund-raising and the estimated amount that will be raised to a person who is making a contribution. Well, estimates are subject to wide variation, and I don't think that an estimated amount is sufficient in this regard. If not at that time then when the money has been finally raised, it needs to be firmly disclosed to the organization they're raising the money on behalf of and to the people who have contributed. Perhaps when their tax receipts are done at the end of the day, the amount could be printed right on the receipt in terms of how much was actually raised and what percentage of it was administrative cost and the percentage of return to the charity.

If you had that kind of disclosure, you would be putting pressure on these organizations to be more cost-effective and would reduce their profit lines to something that's more in line with other businesses. Certainly, from what I've seen, we have some very reputable organizations, and then we have some who I think are making excess profits and are certainly not doing it in the same kinds of terms, under the same kinds of pressures that other businesses would have. Certainly market demand determines a pricing structure for most businesses. Here the amount is never disclosed in terms of what they're raising and how much is actually being tied to administrative costs. Therefore, there is no market demand and there's no pressure on the fund-raising business to be competitive or in fact to bring in a reasonable rate of return in terms of a profit margin or to be not administratively heavy.

In the minister's answer to this question she also went on to say that limiting the amount used to raise funds is not possible owing to problems with comparing different accounting methods. Well, surely if they can do it for tax purposes, they can do it for these purposes. I think that statement is incompatible with the reality out there. All of these businesses have to report for tax purposes on the accrual basis. Charities who are raising large amounts of money under the charities Act are also required to account in that regard, so I don't see where the problem is here. I think that may be some hype you're getting from some of the organizations raising money or people who really don't want to be too forward in terms of the amounts that they are actually charging. But limiting the amount to raise funds is certainly possible. It will make people more effective and more accountable. Certainly, from my experience, I know that it's very possible to raise large amounts for a very small percentage in terms of administrative costs. Even a 20 percent administrative cost would not be out of line.

What happens when you raise the ceilings to the kinds of ceilings that we see now is that the super fund-raising corporations move in and really vacuum the money out of a community. They want to target the large organizations, the ones that have a great deal of name recognition and a great deal of community support. They can't be bothered with the smaller organizations, who don't have a lot of profile in the community or a lot of support and, therefore, don't have the same sort of competitive advantage that other nonprofit organizations do because they're single purpose or don't have the same name recognition. So they're then at a great

competitive disadvantage in terms of trying to raise funds.

What they have to do, then, is band together with a number of other charities, call themselves a group name, and then organize for fund-raising under that kind of an umbrella, which may be the way of the future, but I don't think it actually serves the needs of the nonprofit organizations in terms of what their goals and their agendas are. Certainly I would not like to see the small fund-raiser squeezed out of the market.

When you limit the amount that people can collect, then it becomes as advantageous to collect money for a small organization as it does for a large organization. I think we need to be taking a look at the types and style of operation that these fund-raising corporations are coming in under and make sure that they have the same sort of market pressures on them as anyone else who is a business.

This is an amendment that I think should seriously be considered, and I'm hoping that it'll find some support in the House this evening. If not, certainly I would hope that the minister would bring in her own amendment, maybe under miscellaneous statutes, at some point in the future that deals not only with this issue but deals with the issue of disclosure for charities in terms of the percentage of administrative costs they are really charging.

Thank you.

MR. SHARIFF: Madam Chairman, I rise to speak on this particular amendment. It's raised some very important points in this debate, and I believe that we do need to address this issue. In particular, when there is concern about charitable organizations charging 80 percent for a fee and only giving 20 percent to the organization, there are concerns from my perspective. As a member of a Calgary community who has been involved in a lot of fund-raising activities, I wouldn't want to see 80 percent of the amounts going to pay somebody else and only being left with 20 percent for the charitable organization.

However, having said that, I'm just concerned about this 50 percent proposition, because it would limit the amount of give-backs in some of the fund-raising activities. For example, if a charitable organization were to put together a house that's going to be raffled, a value of $500,000, and then they would be raising half a million dollars as a result, those kinds of scenarios would become problematic. But the issue remains – I do agree with it – and I would encourage the minister to take this matter into consideration and bring some amendments later on that can address that particular issue.

Thank you.

THE DEPUTY CHAIRMAN: The hon. Minister of Municipal Affairs.

MS EVANS: Thank you. I have appreciated, Madam Chairman, the debate on the proposed amendment. Much of the spirit of the proposed amendment I can understand not only from the hon. members of the opposition but from our hon. member on this side of the House who really have identified and underscored the problem that we have when unethical or unprincipled people take advantage of hapless organizations, and there's no doubt that those exist. Can I suggest that out of 26 pages by probably 100-plus people who've commented, they did on this very point say that it's very difficult to determine what percentage of the donations goes strictly to the fund-raising business. For example, if the fund-raisers go door-to-door to distribute leaflets as well as to ask for funds, they can state that it's for education, so it does not come under fund-raising expenses.

9:50

I have chaired or at least been a vice-chair for a very significant fund-raising in this capital region. I would daresay that if we calculated what we expended and what we actually received for a very worthwhile organization, it might be very difficult to determine on a voluntary basis exactly what our net profitability for the organization was. Albeit we had volunteers involved totally, it was certainly an expense to provide fund-raising or materials on that basis. So when the group that did review all of the points came to the perspective of discussing what percentage, they said that it was very difficult because of the accounting. Although I would be somewhat amenable to an amendment in the future that would talk about a suggested guideline, philosophically I'm almost loath to suggest a guideline with a ceiling of 50 percent. Philosophically, I'd like to suggest that the fund-raising business should have a guideline of no more than 15 percent. Quite frankly, anybody who's making a double digit at 50 percent suggests that I'm in entirely the wrong business.

So I would like to suggest that I am fully in support of a guideline in the future, but I'm going to search very carefully for a way to make that happen so that I don't compromise legitimate charitable organizations and so that we do restrict those that are grasping, greedy money managers at the expense of charitable donors.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Madam Chairman. Just in response to Calgary-McCall's comments and the minister's comments, certainly I agree to the greatest extent with what both have said.

In terms of a recommendation for looking at an amendment or a change to the regulations, I think we could establish two sets of standards here. One is for a charitable organization that is raising money by virtue of building something or giving away prizes. I think that kind of an organization needs to have a different limit set in terms of the amount of money that the fund-raising corporation can raise and then distribute in terms of prizes. That still does not limit what their administrative costs are. To me that's a completely separate issue. Administrative costs need to be minimized. While they may be giving away a percentage of the take they get in prizes, if that's also disclosed, then I think that's acceptable to everybody in the province.

Certainly the greatest of concerns comes when you are strictly fund-raising through telephone or door-to-door solicitations or in whatever manner where you're getting a cheque in your hand and the other person is getting nothing but a nonprofit donation in return. I think we have two different types of fund-raising that we're talking about, and perhaps they need two different types of regulations with two different standards. I think in both cases, though administrative costs stand alone, it could easily be limited to what the minister has said, that being 15 percent.

So we look forward to some sort of amendment or new regulations coming forward here soon, hopefully in the fall or in the spring.

[Motion on amendment A1 lost]

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you, Madam Chairman. I also have an

amendment, which I think is at the Table, which we can call A2 under my name. I will just briefly speak a bit as it's being distributed.

THE DEPUTY CHAIRMAN: Hon. member, before you start, I would just ask the pages if they could hand that amendment to those that are seated in their seats rather than to every desk.

Go ahead, hon. member.

MS BLAKEMAN: Thank you. This amendment addresses something in the Debtors' Assistance Act, or the creation of it. For those of you who are now getting it in your hands, you can look for the reference on page 10 of Bill 17.

This was a really interesting experience for me. Although I have a lot of expertise with the Charitable Fund-raising Act, as I sought out people in the community to give me feedback and advice, what I was getting from people when they talked about this was a concern about the Debtors' Assistance Act and how closely people were reminded of what happened with the situation around CKUA, which surprised me, but there it is.

Specifically, this amendment is asking that the section "the Board is not an agent of the Crown" be struck. People felt really strongly that this was a good service, that it was being provided by the government, and they didn't understand why the government would want to jettison it, to devolve it to a board or another agency or why it was doing that. Obviously there's still money being spent on this service as the money is being granted or in some other way delivered to Credit Counselling Services, that is operating out of Calgary now. So there's still recognition by the government that this is a worthy service to be done on behalf of people.

What people were saying to me was that they resented this constant devolvement of agencies outside of the government. They kept using that example of CKUA, because they felt that they can't hold the government responsible if something happens to one of these agencies. Yes, this Act is devolving this agency to a board. Yes, the board is coming under the jurisdiction of a particular Act. But people do want the government to be ultimately responsible. If something goes wrong here with this agency, who do they phone? The feeling is that nobody's there. In other examples we have before us, even in this sitting, when people want to say, "What happened to this particular organization," they're told: "Well, we're not responsible for it any more. It was devolved or put under some other authority. Go talk to them." People go to talk to them, and they go, "We can't help you; go to some other place." It becomes a revolving shuttle as people are shunted on, looking for information but also when they look for the bottom line, the buck stopping. Who has final responsibility for it? People do look to the government to have that.

There's no understanding by the people that spoke to me about why this needed to be sent off. There's been no rationale that's been offered as to why it needed to be devolved, and they want it left where it is. They feel this is a service that the government provides for the citizens of Alberta, that it's a good service, and they want it left there. There's great fear and uneasiness in the community about devolving a number of government services into these agencies.

That is the amendment I would like to bring forward and have considered, and I urge the Assembly to please support this motion. I believe there are some of my colleagues that would like to speak to this as well.

Thank you, Madam Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you. I, too, rise to speak in favour of this amendment, that indicates that "the Board is not an agent of the Crown." As the Assembly by now knows, I have not been a booster of the manner in which the Debtors' Assistance Act has come forward for change, nor have I been a cheerleader for – and this was before this hon. minister's time – the process by which the Debtors' Assistance Board has been established and the contract given to Credit Counselling Services, that has only recently become operational, especially given the fact that with that contract, which was not tendered, there was over $1 million of public taxpayer funds provided to that particular organization.

10:00

Now, we look at the fact that the Debtors' Assistance Board is established as a corporation, and it's my understanding that it is to be a not-for-profit corporation inasmuch as a business can be a not-for-profit corporation. Again we get into whether some of these nonprofit organizations are not there in order to provide a living and a profit to those individuals who are running those organizations.

If we put that aside, we look at the fact that you have the Debtors' Assistance Board that is established, that it has been given some wide-ranging authorities in what it is able to do. It can, for instance, appoint its members. The minister does get to appoint one member. It can, as well, decide how to change the makeup of the membership on the board to fill appointments. It is subject to many of the qualifiers that a corporation would be subject to. It is there "to provide all Albertans counselling and education relating to family and personal money management," which is a broad mandate. It pays "remuneration and expenses, in accordance with the regulations" – I assume those are regulations that are made by government – "to its members, officers, employees and delegates." Well, that assumption may be wrong. It might be regulations that the board itself sets up, and again one sees shades of CKUA when one looks at that. It has to obtain a fidelity bond. In other words, it has a wide range of responsibilities, but this is the privatization of a government function. It is also a delegation of a government function, and as such, one would think it is then directly accountable to someone on the front benches.

Now, if it says "the Board is not an agent of the Crown," where does that accountability, where does that fine thread go? Because if it is not an agent of the Crown, if it is a privatized entity, if it is a nonprofit corporation – and again we go back to what is a nonprofit corporation – then who does it respond to? If it is not an agent of the Crown, can the minister in fact require certain things of this board? Can the minister any more than the minister can of any other nonprofit board that is not an agent of the Crown – this is a question that I would appreciate receiving an answer to, and I guess that answer may have to come from legal counsel. But can the minister then request certain things as it is written here in 13(1), for instance, where it says

> the Minister may, whenever the Minister considers it necessary, review or appoint a person to review
> (a) the conduct of the Board, or
> (b) any matter relating to the Board.

Now, if we look at the matter with CKUA, there was to my memory a lot of questions as to who had the authority to actually go in and review the board and monitor it. Was it the Auditor General? He did go in and make a review. Did the minister

actually have the authority? I think the answer is a qualified maybe. Does she actually have the authority to go in and tell the board: you shall do this; you shall do that? When you have in here, "the Board is not an agent of the Crown," I would think, even though the rest of it says the minister can do certain things, that that particular statement is an overrider clause on these other statements that indicate that the board does have certain responsibilities: that the board can conduct a review, that the board may require the attendance of any member to come to that review, and the list goes on – it's on pages 16 and 17 on – that the minister may make regulations respecting fidelity bonds. You've got a situation where it's not an agent of the Crown, yet the minister is going to continue making regulations, is going to continue saying, "Yes, I have the authority to find out what you're doing" but, in effect, not have that final authority within the Act.

I wonder if there is no conflict inherent in the legislation. If legal counsel says, "Yes, you can have both of those situations," how long will a nonprofit organization . . . For instance, we have the example of the registries that are – well, I guess they're not for profit. I'm not sure what they're called. They are for profit, yes, but they're supposedly under the auspices of a minister. How long will you have that situation of an organization such as the registries and organizations such as the Credit Counselling group saying, yes, we will keep one foot in the door where we are under the regulations, where we have to abide by rules of government as if we were a government agency, yet the other foot is in the private sector? How long are you going to have corporations, agencies, stores, whatever it is that's being set up, playing by two sets of rules? We've had that with the registries already who say: "Look, we can't make a profit. There are too many of us. Look, you've got to do something for us. You've got to give us more things to sell. You've got to give us more things to do." That's what the registries have said, and everyone on the front bench knows that. The private members may not yet, but the front bench, I'm sure, does.

The registries are having trouble making ends meet. So they need to sell more information. They need to be able to gather more information. Then because government is regulating, they come back to government and say: "We need to make a living. You've created us. We are a creature of government, and therefore we can't exist. It's your fault, and you've got to do something for us." We saw examples of that with the liquor stores as well – didn't we? – when the small operators said: oh, you can't let the large superstores in.

My point is that I think you're going to see the same thing happen with agencies such as Credit Counselling. If in fact they are a creature of government, if in fact government wishes to maintain, as it were, a measure of control over the operations of areas within the Debtors' Assistance Act in terms of setting up the board and therefore the agency – and actually it's interesting that the Debtors' Assistance Board, the way it's set up here, is the corporation when in fact the agency is the Credit Counselling agency. Nowhere is that mentioned in here. It almost seems as if you're setting up an independent board within government, much as what we have now. In fact this should read: the Credit Counselling board is hereby established by this law as a corporation. If we've got this kind of legislation, then I would strongly suggest that section 2(3) is deleted so that there is no question – no question – in anyone's mind that the board is an agent of the Crown and remains an agent of the Crown. There is no ability by anyone to challenge the ability of the minister – in this case it's the Minister of Municipal Affairs – to go in there and investigate, should there be a requirement to investigate, the goings-on of the Debtors' Assistance Board.

10:10

I am sure that the minister will look at the suggestion carefully, and as I indicated, I would be interested to hear the legal opinion. I think that in the drafting of Bill 41, I believe it was, and the death of Bill 57, there may have been the thought that some of these issues were addressed. I don't think they are totally addressed. I'd appreciate hearing the response as to the schizophrenic life, if I may call it that, that some of these agencies have, because in fact they are living in two worlds.

With those words I just would like to reiterate that I have grave concerns about this whole change in the way that counseling services for individuals who are engaging in potential bankruptcy actions have occurred. I am not sure that individuals will be served to the same standard of quality that they were when this particular board and the agency were under the auspices of the government.

Thank you.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Madam Chairman. I would like to say a few words this evening on my colleague from Edmonton-Centre's amendment A2. She would prefer to see "the Board is not an agent of the Crown" struck from this Bill 17.

Now, we all know that the Member for Edmonton-Centre is the critic in this caucus that's responsible for CKUA. If she's a little bit cautious and a little bit nervous about having a board with no apparent public accountability, I can see why. There have been many phone calls to my constituency. There have been many letters. I'm sure the minister across the way has also received phone calls and letters regarding the CKUA board. There was very little accountability to the public, and we all know what happened. I don't have to give a history lesson to this Chamber, a recent history lesson, regarding the events of the past three months, but that was a radio station that had survived in this province for over 70 years. It was one of the first radio stations. It came from the university campus to all communities in the province, to the small towns, to the farmers, and we know what happened because there was no public accountability. If the Member for Edmonton-Centre has enough concerns after she saw what happened there to introduce this amendment, then I support her amendment wholeheartedly.

[Mr. Shariff in the Chair]

This board, Mr. Chairman, has 11 members. The minister is going to appoint one of these members, who must not be a member of the credit granting industry. Another member will be from the Alberta Home Economics Association. This group will appoint one member. The Alberta Insolvency Practitioners Association shall appoint one member to this board. The Association of Canadian Financial Corporations shall appoint one member. The Canadian Bankers Association: the bankers shall appoint two members. Now, this group, after it's appointed, will appoint another five members to make the total on this board 11 members. I think they should be accountable. The government is not going to be liable for any decisions this group makes, and I think our Member for Edmonton-Centre is on to something here. She points this out, and she's quite accurate with this. This group

of 11 should not be allowed not to have the channels back to the minister. They must be accountable for any decisions they make.

The hon. Member for Edmonton-Meadowlark spoke just briefly about Bill 57 and Bill 41. Now, Bill 57 is history in the 23rd Legislature, but Bill 41 seems to live on as a general theme in this proposal, because there is no regulation, there is no accountability. We all talk about good government, but the government must accept responsibility for its acts, and this Bill 17 is no different than any other. Everyone gets paid in this Legislative Assembly. The members of Executive Council sometimes have to make very, very difficult decisions, but they get paid to make them, and to farm this out to boards that are not having public accountability is wrong.

With those comments, Mr. Chairman, I shall take my seat. Thank you very much.

[Motion on amendment A2 lost]

AN HON. MEMBER: Question.

THE ACTING CHAIRMAN: The question has been called.

Sorry. Hon. member.

MR. GIBBONS: Mr. Chairman, I have an amendment marked A3. Can I have that put around, please?

THE ACTING CHAIRMAN: Has the amendment been circulated?

MR. GIBBONS: Mr. Chairman, I would move that Bill 17 be amended by striking out section 5 of the Bill, the Residential Tenancies Act, with regards to the ability of the Banff Housing Corporation to refuse sublease agreements. As we mentioned, when this was first brought forward . . .

THE ACTING CHAIRMAN: Hon. member, just for everyone's information, we will refer to this as amendment A3. You may proceed.

MR. GIBBONS: When we spoke on this when it first came forward, Mr. Chairman, quite a few of us said that this should be a stand-alone Bill. Whether this is put under a miscellaneous Bill, as it has in the past, or put into an omnibus Bill, as it is right now, the issue is that we feel it should be a separate item. If it's so important and the urgency should be the Bill in itself, then why is it put in the back end of this Bill? Why isn't the department bringing it forward by itself?

The Assembly has a ruling by the Speaker that if we feel strongly enough and put up a strong enough argument, then we can have a Bill separated. I don't believe this is going to happen. I believe this is going to be another one of the items under omnibus Bills that's just going to go forward. Nobody's going to be listening on the other side. We're going to be talking at length on this, and it's going to be turned down. I feel that the urgency to change is because the type of affordable housing is already being provided, and if Banff is a unique entity, then the government should have a separate Bill. We've discussed this at great length, and we feel that, yes, Banff is a separate entity, and at the same time people should realize that if we're going to be discussing items like this, especially at the back end of a Bill, then maybe we should be looking at it very thoroughly.

I'm going to sit down now, Mr. Chairman, and I'll have one of my other members stand up on it.

10:20

MS LEIBOVICI: I, too, would urge the Assembly to look at amending Bill 17 by striking out section 5. Now, it's my understanding that there will still be forthcoming in this spring sitting a miscellaneous statutes amendment Act, so it would be very simple to put this into that miscellaneous statutes amendment Act and thereby follow the true spirit of the Assembly by not having this configuration of Bills that we have seen in this particular sitting that amalgamates four or five different issues within a statute.

As we have heard from the Speaker's ruling, the indication was that there is the avenue – in fact, it almost sounded as if it was an urging on behalf of the Speaker to indicate that there should be some changes made to the Bills that we see in front of us as an article perhaps of good faith. As I indicated, it would be very simple. I'm not sure; I think a preliminary copy of a miscellaneous statutes amendment Act may have been provided to our House leader today. It may be coming in its final form tomorrow. So all it is is running off a copy of this particular page and putting it in as an addition under the miscellaneous statutes amendment Act, something very simple, but again, as I indicated, it would provide a measure of good faith in assuring this side of the House that we will not see a repeat of this kind of mishmash of a Bill in front of us.

It's not so much for the members of the opposition. We do know how to read legislation. We do know how to interpret and flip between one Act and the other. It's more to give the government the opportunity to live up to one of it's – I believe it was a campaign promise that was made in '93 that indicated that legislation would be easy to read, that legislation would be easy to follow. One of the ways of doing that is to have separate pieces of legislation to deal with certain areas.

I know that the Minister of Labour is sitting there and saying, "Yes, that's so true," because how else would they be able to quite easily follow what's going on in this Assembly? I know that the Treasurer consistently talks about how many people listen to what goes on in this Legislative Assembly and watch what goes on in this Legislative Assembly and that there are many, many individuals who are very concerned over what is happening.

So, again, in our very co-operative way, to try and simplify the process within this Assembly, the member has put forward this particular amendment that says: strike it out. We have given you – not the flexibility, you have the flexibility – the suggestion as to a way that this particular section, section 5, that deals with the Residential Tenancies Act, specifically with the Banff Housing Corporation, can very easily be put into the miscellaneous statutes amendment Act and, in fact, most likely be passed in the next few days.

We've heard rumours that we may be closing the session tomorrow. I somehow fear that that may be premature, but who knows? Stranger things have happened within this Assembly. Her Majesty's Loyal Opposition is prepared to stay here and ensure that every piece of legislation we see is appropriate and provides the best government that is possible for the citizens of this province and provide that watchdog role for the government, because that is one of the things we do. Along with that watchdog role, we provide suggestions, and we also provide, I think, a very good critique of how some of these amendments that we see in front of us and some of the Bills that we have seen in front of us can be changed to better serve the needs of Albertans.

So again I urge the Assembly to look seriously at this amendment. This is a very sensible amendment. This is an amendment

that will not interfere at all with the requirements, if they are requirements, that the Banff Housing Corporation has but in effect will make better legislation and will make it a lot easier for the public, as the former Treasurer used to say, "severely normal Albertans" – and I did not like that term – to follow what is going on here in this Legislative Assembly. We are here to serve the needs of those Albertans. I think we can best serve those needs if Albertans know what is happening and it's not caught up in a lot of mumbo jumbo and in Acts that quite frankly are a mishmash of four or five different pieces of legislation.

Thank you very much.

[Motion on amendment A3 lost]

[The clauses of Bill 17 agreed to]

[Title and preamble agreed to]

THE ACTING CHAIRMAN: Shall the Bill be reported? Are you agreed?

SOME HON. MEMBERS: Agreed.

THE ACTING CHAIRMAN: Opposed?

SOME HON. MEMBERS: No.

THE ACTING CHAIRMAN: Carried.

Bill 19
Livestock and Livestock Products Amendment Act, 1997

THE ACTING CHAIRMAN: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Chairman. I just want to make a few comments on the Bill in terms of the relationship it has to the structure of the livestock patrons' assurance fund that it modifies and creates under the premises of the new patrons' review tribunal that's going to be established.

I've had a couple of long discussions with the minister and some of the other members that have been strong supporters of this Bill, as well as some of the livestock agencies in the province that are supporting it. I think we've got to realize that this has been put together in a way that it's going to be a program that provides benefit to the livestock producers in the province. It's going to be administered and run by the livestock producers in the province, and it takes the government out of the situation, out of the process. As I said in second reading, this is a real good part of the Bill.

One thing has come up in the discussions since second reading that I'd like to just put on the record. It's not in any way going to jeopardize the movement of the Bill or the effectiveness of the Bill. I just want to point out for the members of the House an inequity that gets created in the context of how this Bill is going to work in the sense that it prorates claims on the fund based on the number of dollars that are in the fund. So what we've got is if a few claims are put to the fund, the fund is drawn down to a lower level, and if another claim comes along, what we end up with then is a situation where if the claim that's being placed now is larger than the total assets of the fund, that claimant gets paid out on a prorated basis reflecting the proportion of the dollars that are in the fund to the total claim.

10:30

Let's say that you're a producer out there, and you lay a claim because a dealer has failed to make a payment. The fund is quite flush; you're going to get paid 80 cents on the dollar. But let's say that you happen to be the unfortunate producer whose dealer suffers a setback and doesn't pay after a series of these or during the process when the fund is still building. What you do is you make your claim. There's only 50 cents on the dollar value in the fund. So essentially you only get paid 50 cents on the dollar for your loss. Now, for no reason except timing, you don't get the same benefit from this fund as someone else. So I ask: why is it that we set the fund up that way so that based on timing and application you get a different payout yet as a producer are contributing at the same rate as everybody else? You should be expecting to get the same payout based on the unforeseen events that this fund is designed to cover. What we've got to deal with here is: how do we create that equity?

In essence, if we have the fund with the flexibility, which this Bill gives it, to set the levy at different rates based on its estimate of the size of the fund that's going to be needed – you know, based on the actuarial data that is necessary to support that kind of a calculation in terms of the optimum size of the fund – then what we've got to deal with is: how do we look at those situations where we end up with the equivalent of the once in a hundred years flood disaster? You know, it's way more than can be expected. It's way more than the fund was designed to deal with under normal operating procedures. What you are is a producer who had faithfully made your contributions to this fund, and when the time comes for you to make a claim on it, you don't get paid the same as your neighbour down the road because they claimed at a different time, an earlier time, a time when the fund had the number of dollars in it that the actuarial accounts indicated were necessary. So what we've got to deal with here is: how do we get around that?

I think what we need to look at is the option to allow the fund to either bank payments in the sense that, "We only have 50 cents on the dollar now, but we'll pay you the other 30 cents over the next 18 months or two years as we build the fund back up," or borrow money to make the payment and then repay the loan so that every producer is treated equally under the rights of this program. You know, after all, they're making equal contributions to it. They should be able to expect to participate equally when disaster befalls them. I don't think this Bill does that, and what we've got to do is look at it from the context of how that can be made more equitable.

Mr. Chairman, this is a program designed by the producers. This is a program constrained, the limits on it put in there by the producers, and I think we should support it in the format that the producers have asked for with this other caution in mind so that we don't go out there and create an extra burden on them when they're trying to operate it. We should recognize that this is a shortfall in the program as it's designed and that we can then be aware that a year or two or three into the future we may have the livestock producers coming back to us and saying: "Hold it. We've seen a shortcoming in this program, and we'd like to have permission to make some amendments so that this can better serve the needs of all of our producers rather than just the ones who have a disaster first and get access to the dollars first. We want to make sure that they all are treated equally within that framework."

With those comments, Mr. Chairman, I think we have to respect the wishes of the producers, but we also have to be

cognizant of some of the operational shortfalls that could result because of the design they've put into this program and be willing to support those same producers when they come back in the future and ask for the program to be redesigned so that it will operate, so that they can each be treated equally within the framework of that. Obviously at this point in time they don't seem to feel they want to take that extra step of either giving this tribunal borrowing powers or giving it a phased payment option, which would allow them to make the program equitable for all of the producers.

Based on that, I think we should support it the way it is and just kind of live in expectation as to when they're going to come back and ask for it to be changed.

[The clauses of Bill 19 agreed to]

[Title and preamble agreed to]

THE ACTING CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE ACTING CHAIRMAN: Opposed? Carried.

Bill 23
Agricultural Service Board Amendment Act, 1997

THE ACTING CHAIRMAN: The hon. Member for Olds-Didsbury-Three Hills.

MR. MARZ: Thank you, Mr. Chairman. I would like to briefly outline and address the various concerns that were raised about Bill 23 during second reading.

I'll reserve comment on the concerns expressed by the Member for Lethbridge-East about local councils becoming a kind of a pork barrel for the appointment of friends. I'd also not wish to comment on the concerns expressed by the Member for Edmonton-Glenora about the principle of this Bill being based on skulduggery other than to say that what this Bill was based on was two years of consultation with local authorities, starting back as far as January '95. Having been involved with local government over 16 years, as most of you know, I've come to know fellow local officials from across the province as hardworking, dedicated, and honest people. I would hardly describe their excellent working relationship with this government, which is based on consultation, trust, and understanding, as skulduggery, and I certainly hope that our local officials are not offended by those remarks. I personally do not know any pork-barreling, skulduggerying local officials, and unless the members with those concerns wish to be more specific, I simply won't comment on it.

The concerns that were brought forward that I will address are three concerns that I feel are all related, which are as follows: number one, the lack of restriction in the Bill by the province on the maximum size of ag service boards; number two, the ability of local councils to use any of their dollars, including ASB grant dollars, to reimburse board members for the per diems, if any, as well as any out-of-pocket expenses; and the third concern, dealing with why people on ag service boards are treated differently than other Albertans who serve the government in other capacities.

[Mrs. Gordon in the Chair]

I believe all these concerns can be addressed in the proposed amendment, which I will move at this time, as follows: section 4 is amended in the proposed section 3(1) by striking out "paid" and substituting "paid, out of the funds of the municipality." The amendment clearly puts the responsibility for reimbursement for per diems and expenses on the local municipality, who also have the responsibility for board size. They would have to justify board size to their ratepayers, and as we are assured no provincial funds are being used for these purposes, board size should not be a concern to us.

The concern was raised by the member as to why ag service boards are treated differently than other Albertans that serve government. They are not appointed by the provincial government and are not paid by the provincial government, as this amendment states. Therefore that, too, should not be of concern to us and should clear up any misunderstanding of that as well. I believe this amendment would still be in keeping with the enabling nature of the Agricultural Service Board Act.

Thank you.

10:40

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Madam Chairman. I rise in part to respond to the amendment that the member has brought in there. I think he made some interesting allegations during his opening comments, slightly argumentative in nature, and refused to then further expand or comment on them.

Certainly in speaking to the amendment that talks about striking out "paid" and substituting "paid, out of the funds of the municipality," it's interesting to note that the government has brought forward this Bill and then quickly sees that it's flawed and that they need to bring in an amendment on their own. Certainly it's an issue that we had addressed during debate, and we're happy to see that they're starting to clean it up here. I still have a problem with the part that this amendment doesn't talk about. It just talks about "paid, out of the funds of the municipality," which is important. That's certainly how it should be paid. But it doesn't address the issue of the reasonable allowances for traveling and subsistence and out-of-pocket expenses and the fact that there's no per diem set for expenses here.

Now, I could compare this to the regional health authorities, which certainly made a provision for the minister to set regulations respecting remuneration and expenses payable to members. Even having seen that, we saw some extremely exorbitant expenses coming in throughout the province. In some cases we had members of the boards collecting more than $60,000 in expenses in less than a year's time period. In that case it would have been cheaper to have paid the person a salary and not allowed those kinds of expenses to accrue, and in that case there was in fact a provision for regulations to be set. In this instance there is no provision, so the sky's the limit in terms of what could be deemed to be a reasonable allowance.

I think this amendment does not go far enough. I'm surprised that the member wouldn't have addressed that in his comments here. He could have expanded this amendment to include some sort of a stipulation about regulations being set. It then certainly adds to the comments that were made in second reading of this Bill in terms of the ability for pork-barreling to occur in this instance. While the member is not prepared to comment on it, I'm wondering how he is prepared to stop this from happening or any potential for this happening in the future. I'm wondering how they're going to enforce accountability in this regard, not only for

members of the board but for members of the government, who should have brought this regulation in.

So with those comments, Madam Chairman, I'll take my seat.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you. I, too, rise to speak to this amendment as well as to the Bill that we see in front of us. There are definitely some areas that are of contention within the Bill. It's unfortunate that the member who introduced the amendment – actually I don't know if he formally did introduce the amendment. I know we've all received it on our tables. [interjection] Okay. Thank you, hon. member. I guess he did, and I missed it due to the argumentative comments that the member made during his introduction of the amendment and that sort of has put a bit of a colour on the whole debate with regards to this Bill.

There are, as we indicated, some issues with regards to establishing the agricultural service boards, and the amendment seems to address some of those concerns. There still is a question as to the level of expenses that board members can claim. It doesn't seem to be, the way I read the particular amendment, that that issue has been totally addressed. There has been a clarification in that section 4 is amended in the proposed section 3(1) by striking out "paid" and substituting "paid, out of the funds of the municipality." So in other words, 3(1) would read:

> A council may establish and appoint members to an agricultural service board and provide that the members of the board be paid, out of the funds of the municipality, [as the suggested amendment] reasonable allowances for travelling, subsistence and out-of-pocket expenses incurred in attending meetings of the board.

Now, the concern we had expressed in second reading was that the level of expenses that board members could claim should be limited. There was a recent example in, I believe, the WestView regional health authority. I may be wrong on the name, but it's the regional health authority that has in one year racked up expenses of $600,000. Now, given the size of that particular health region, given the area it covers, given the numbers, and given that compared to the other regional health authorities, it seems hard to justify that $600,000. Had there been a level of expenses that board members could claim or had there been a level at which the government would then be able to come in and investigate as to the reasons for that level of expenditure, perhaps there would have been some helpful hints the government could have given that board to ensure that the expenses of the board were managed in the most appropriate manner. That would have been a proactive measurement, to be able to do that, as opposed to after the fact, which is the case we've seen. We've had the Auditor General go in and say, yes, these claims look like they are justifiable, but the reality exists that there is still a question in the public's mind as to whether those expenses are in fact justified.

Now, when we look at a very similar type of situation in a sense – you have the agricultural service boards that are set up by council, and it's interesting to note that improvement districts have been taken out of the definition of council. It's now a specialized municipality. The improvement districts are no longer outlined specifically, it appears, within the legislation. When you have a council who then is appointing a board, again, if you take the same parallel, you have the provincial government who then appointed the regional health authorities and had a fairly broad budget from which to work. So you've got a council who appoints the agricultural service boards, and there are no restrictions in terms of the size of those boards or the level of expenses that board members can claim. I would think that would raise questions from the private members on both sides of the House with regards to accountability and the potential costs to the taxpayer in each of your areas, especially in those areas that have agricultural service boards.

Now, as an urban MLA this is not an area that I need to have much of a concern about, as I don't think there are any agricultural service boards that are appointed by Edmonton city council. But as an MLA who believes that all MLAs have to have a broader overview of what their concerns are and to ensure that citizens within the province are served in the best manner possible by all members within the Legislative Assembly, I wonder at the lack of concern that seems to be displayed by the rural members within this Assembly. Now, perhaps those concerns have been expressed within the individual caucuses, and perhaps those concerns have been addressed within the Conservative caucus. However, on a public level, which is that of the Legislative Assembly, there does not seem to be an acknowledgment, especially upon listening to the statements by the Member for Olds-Didsbury-Three Hills, that, yes, there are these concerns and that is the reason for putting forward the amendments.

So I would urge all the Members of the Legislative Assembly to think about whether this is an amendment that is good enough, whether this amendment covers the area that was of concern which was expressed in second reading, and whether there could not be something better than is proposed by the Member for Olds-Didsbury-Three Hills that takes into account the concerns about the lack of accountability, potential cost to the taxpayer, and looks at providing guidelines within the legislation – there are other pieces of legislation that do do that, provide guidelines within the legislation – about the size of the agricultural boards as well as the level of expenses that board members could claim.

I'm sure there are other members who also would like to address this piece of legislation. Thank you.

10:50

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you, Madam Chairman. This is an interesting dilemma, because I think increasingly all of us in this Assembly and, indeed, at any level of government or public office is finding that the public is demanding increasing scrutiny of our affairs, particularly where money is reimbursed or paid to anyone holding public office. [interjections] I'm glad it's so amusing to some of the members.

I mean, I would be interested in supporting this amendment, but I wonder why we haven't taken advantage of some of the examples to control this sort of thing that we've had before us. I know that the government used to have a schedule that was used by councils, agencies, commissions, task forces, et cetera. They were designated in the legislation that they were an A, B, C, or D type of agency or however they did that, and there was a schedule that was available. So A schedule said you got paid this much, and you could claim up to this much for this kind of expense and up to that much for that kind of expense. All of this used to exist, so I guess if it doesn't anymore, why doesn't it? It seemed to be a fairly foolproof system. It was really clear to everyone what they were entitled to claim for, it was readily available to the public, and it was right in the legislation as to what level they were designated at.

I think my suggestion, which the hon. Member for Olds-

Didsbury-Three Hills could perhaps consider as well as this amendment, would be to suggest that the schedule of fees and reimbursements for expenses be put into the regulations, or perhaps my earlier suggestion of this designation of what level they are, and that this be published in the *Alberta Gazette*, so with the public's desire to have knowledge of what public officers are up to, they can find that out.

You know, I think the suggestions that the loyal opposition had raised during second reading were reasonable. We'd certainly had input from the community on it, and I honestly don't know whether aspersions were cast. I think the point that's underlying all of that is that there needed to be a reasonable limit set on expenses or a schedule that people could refer to that gave them the parameters of what they were applying for. But in many cases – and this tarnishes all of us, so I think it's a point that every elected official needs to be aware of. If there's a case where someone has claimed extravagantly or overpaid or there's any suspicion of fraud or any other irregularity, that reflects poorly on every one of us, and I would think it is to our advantage as well as to our honour to encourage that kind of restriction.

THE DEPUTY CHAIRMAN: Excuse me, hon. member.

Hon. Minister of Labour, are you rising on a point of order?

MR. SMITH: I'm trying to get to my seat, Madam Chairman.

THE DEPUTY CHAIRMAN: Please, if you would. And it is getting a little noisy in here.

MS BLAKEMAN: It certainly is, Madam Chairman.

AN HON. MEMBER: Sit down, Laurie.

MS BLAKEMAN: No, thank you, but thank you for your concern.

I think that increasingly – and this has always been a good idea – not only do we want to be open, honest, and above reproach, but we must appear to be. I think that transparency of which I've heard the hon. members opposite speak at great length, of how open and transparent most of their systems are – although indeed I have trouble finding a great deal of the information they're talking about. I think they could be following their general dictum in this particular case and making use of that. What the opposition had suggested was a very specific level of claims, and this is not reflected in amendment A1, I guess it's being called, to the Agricultural Service Board Amendment Act.

Having put forward those few words and observations, I will resume my seat. Thank you, Madam Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you very much, Madam Chairman. I, too, would like to say a few words this evening on the amendment to Bill 23, the Agricultural Service Board Amendment Act. As I understand it, section 4 is to be amended, and in section 4, 3(1) reads:

> A council may establish and appoint members to an agricultural service board and provide that the members of the board be paid reasonable allowances for travelling, subsistence and out-of-pocket expenses incurred in attending meetings of the board.

Well, this has to do with being paid out of the funds of the municipality. Many of these funds from the municipality are going to come from your pocket, my pocket, everyone's pocket. This is an issue of public accountability. Where is the money going to come from? We know that there are to be no restrictions on the size of these boards, and if there's no restriction on the size of them, we have no idea what expenses will eventually be incurred.

Now, a lot of us here on this side of the House are from urban centres, and I think whenever I'm talking about the agricultural service boards, I should perhaps talk a little bit about their history. The Agricultural Service Board Act has been in existence since 1945. That, Madam Chairman, is totaling 52 years of continuous service. It's between the municipalities and the provincial government, and it's an indication of good co-operation between two levels of government.

The proposals, which are always put forward by the agricultural service board, usually come through a conference. People sit down, they get together, and they talk. Feedback is put into the first draft of a proposal between the two parties, the provincial government and the municipal government, and everyone gets together. This Bill is an example of this. The key features of any Bill but this Bill in particular – this legislation will be enabling. As it has been for the past 52 years . . .

11:00

THE DEPUTY CHAIRMAN: I would remind the hon. member that we are debating the amendment as brought forward by the hon. Member for Olds-Didsbury-Three Hills. The amendment.

MR. MacDONALD: I'm just bringing up some of my urban colleagues to speed on the agricultural service board, Madam Chairman.

THE DEPUTY CHAIRMAN: Hon. member, they're most appreciative of that, but remember the amendment.

MR. MacDONALD: Okay. This amendment, once again, is about dollars, public accountability, and with the unlimited size of these boards – they have unlimited size – there's no restriction on the amount of money that they can spend. We must take that into account. People can be considering what goes on, but it is very important, the limit on the size of agricultural boards. We have to think of this. There is no limit on the expenses that board members can claim. Other boards, for example the regional hospital boards, can only claim a specific amount, yet no limit is imposed on either the number of members on these boards or the level of reimbursement for expenses. I think that is very, very important, and we should consider that.

Thank you, Madam Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Madam Chairman. I just wanted to rise and speak to the amendment that's being put forth for Bill 23. This is the amendment that the member and I had talked about. It will provide for the kind of public accountability, public disclosure that's associated with the need that we have to be sure that general revenue funds from the province are not being indiscriminately or at will paid out in support of an administrative branch that doesn't have accountability back to the Legislative Assembly.

The Member for Olds-Didsbury-Three Hills and I spent a number of moments talking about this and agreed that he would

bring this forward as the amendment that would, in essence, make sure that it was out in front of everybody, plain, and put to the Legislature and to the municipalities that when they did pay the per diems, the expense accounts, the travel for their ag service board members, it had to come out of their local dollars, that it had to come out of the money that they were accountable for, that it had to come out of the money that their voters could reflect on and judge whether or not it was being expended in the way that they felt was appropriate, given the assignment that was being made in terms of the obligations that they expected from their members of the ag service board.

So this essentially is going to give us a Bill that now really brings forth more accountability, more flexibility into the ag service system, and will make these boards even better able to serve their communities in the way that they were designed. That also, then, kind of breaks down and gives everybody a chance to make the appropriate people accountable for the expenditures that are being used to support these board members.

So I'd like to congratulate the Member for Olds-Didsbury-Three Hills for bringing forth the amendment in the way that it will accomplish what we wanted out of this Bill and, as I said, bring it out into the public. So I'd encourage everybody to support the amendment because it's designed to deal with the issues.

On that, Madam Chairman, I'll take my chair.

[Motion on amendment carried]

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: I'd like to speak to the Bill as amended.

AN HON. MEMBER: We already voted.

MS CARLSON: No. You just voted on the amendment; you didn't vote on the Bill proper. Thank you.

Previously I had asked the member who introduced the amendment if he would share his copy of *Hansard* dealing with the flippant comments that he had made in his introductory comments. He wasn't prepared to do that, but I have subsequently found my own, so I can see the comments that he was referring to.

It's quite interesting to note that in the discussion on this Bill on this side of the House, about 20 minutes of discussion, many good things were said about this Bill, Madam Chairman, and a great deal of support was put forward for it. There were a couple of instances where we had concerns. One of them was particularly to do with this motion as now amended in terms of it being sloppy drafting or if it was in fact something more than that that was being alluded to in terms of how the moneys would be paid for these members. Clearly we see with the amendment having been brought in and passed by the government that it was simply sloppy drafting that was the issue here. We're happy to see that that has been amended.

There are still a couple of problems here with this Bill. In general I support it. Certainly I think it addresses some of the issues that need to be addressed, but there are a couple of problems. One of them is repealing section 10, which stipulated that expenses incurred by the members of the board would be paid in the same way as members of a council. When you take that out of there, then it's a problem in terms of how those members will be paid in the future. As some of my colleagues have stated, we've seen abuses, what we consider to be gross abuses of expense systems in the way that moneys have been returned to people who are sitting on boards.

What even adds to this in terms of being a problem for us is that now the number of board members has been changed from three to five, being left entirely at the discretion of the council. So if you are looking for some sort of a patronage appointment or for some means of putting people on a board where they're going to be satisfied for whatever other reasons you may want to do that, now you have at your fingertips the ability to appoint as many as you want, and the only stipulation on the types of money that they can access would be "reasonable," "reasonable" being undefined in terms of how this Bill is addressed. So for me that's a problem that still hasn't been addressed in this Bill, and on the basis of that, I would have to vote against it in the absence of any additional amendments correcting that.

Then we get to the other section. This is section 9, repealing section 10. Repealing this section means that there's no ruling on how members of a board may be paid. Thus in future they can be paid more or less than the members of the council. So when you talk about that in terms of this Bill, it once again opens the door for a number of questions in terms of remuneration and why it hadn't been more clearly stipulated or some limits placed or some conditions placed. It's just a potential for all kinds of misdeeds to happen.

I think that certainly rather than being flippant in his comments about this Bill, the member could have been responsible and addressed the issues head on.

Thank you.

[The clauses of Bill 23 as amended agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

11:10 **Bill 24**
Tobacco Tax Amendment Act, 1997

THE DEPUTY CHAIRMAN: The hon. Member for West Yellowhead.

MR. STRANG: Thank you, Madam Chairman. Number one, I'd just like to relate that we have supplied all the answers that Edmonton-Ellerslie and Edmonton-Glenora wanted out of *Hansard* of June 4, 1997. It was given to Edmonton-Mill Creek. So basically what I want to do is just go through these sections, if you'll be patient with me. I think it'll be self-explanatory, and we may be able to get out of here before the witching hour.

The sections of the Bill related to licensing and regulations are section 2(a) and section 5. They allow Treasury to refuse to issue licences to persons whose spouses have been refused a licence or whose licences were canceled or suspended.

Sections 2(c) and 17 provide for regulations concerning the regulations for exempt sales retailers. The regulation already exists. The legislation was omitted in error.

Section 6 requires Treasury to issue notification to someone whose application for registration as an exempt sale retailer has been refused or whose registration has been canceled.

Sections 7 and 8 expand the appeal mechanism in the Act to apply to registration matters.

Then sections of the Bill related to tobacco marketing. Section 2(b) provides a distinction between legitimate tear tapes and stamps placed on the Alberta-tax-paid tobacco and forged tear tapes and stamps sometimes placed on smugglers' tobacco.

Sections of the Bill related to enforcement and prosecution of offenders. Sections 3 and 16 remove the requirement in a prosecution to prove that the person in the possession of smuggled tobacco is a consumer.

Section 4 removes the requirement in a prosecution to provide that a person who bought tobacco from a wholesaler intends to resell it and deletes the onerous reference to an importer's licence.

Section 11 allows bylaw enforcement officers to inspect tobacco.

Section 12 relates to the requirement of an officer to obtain approval from the court after a warrant seizure if the seizure was of tobacco found in or near the vehicle, which brings it in line with the liquor laws.

Section 13 allows officers to exchange information obtained under this Act for the purpose of enforcing other laws that do not impose a tax; for example, the liquor law, the federal tobacco tax.

Sections of the Bill pertain to tax collection. Section 9 extends the existing ability to issue third-party demands to include secured loans, receivables, including lines of credit.

Section 10 imposes a personal liability on corporation directors where the corporation has collected tobacco tax from retailers and/or consumers that have not resubmitted it to Treasury.

Sections of the Bill pertain to assessment. Sections 14 and 15 allow Treasury to issue assessments to persons who have over-claimed a tobacco tax refund and extends general assessment provisions to include such assessment.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Mill Creek.

MR. ZWOZDESKY: Thank you, Madam Chairman. [interjection] I hear one of my hon. colleagues saying that it's a good Bill, and I agree. It is a good Bill. The Tobacco Tax Amendment Act is a serious Bill. It's an important Bill. I know that all members are anxious to know exactly what it is we feel about this Bill, so I'd be happy to put that on record for all members to listen to and/or read later.

Tax revenues from tobacco sales in the province of Alberta amount to about $26 million per month, or just over $300 million per year, and that, Madam Chairman, is a very large amount of money that goes into our provincial coffers from the pocketbooks of smokers. Therefore, I can appreciate the government wanting to bring in a Bill like Bill 24 to improve and strengthen the enforcement of tax revenue collection. That basically is one of the main thrusts of this Bill: to give increased powers of enforcement in the area of, I guess, safeguarding this tax revenue collection which we accrue from tobacco taxes.

Now, I'm also given to understand that this Bill has had the benefit of some tremendous research and greater input from some of the other provinces with whom our counterpart ministers met. The thrust of those meetings, I guess, was to beef up the reporting and enforcement mechanisms, and they thought that by bringing in a legislative framework such as this Bill before us, they would in fact be able to better control the critical area of interprovincial tobacco smuggling. Certainly I'm in support of anything that would reduce tobacco smuggling in Alberta.

The decision to significantly reduce excise taxes on tobacco in central Canada was made in an effort to prevent smuggling there as well. It had the resulting impact of increasing the potential for interprovincial smuggling here in the west. So that which they tried to do in central Canada and the east may have worked for them, but it did have the possibility of negatively impacting something that was going to happen here in that regard, and it made it more difficult for our provinces in western Canada to actually maintain our tobacco tax revenues. As a result, I find it refreshing that this Bill is coming forward to address how to tighten up those particular controls.

These amendments to the Tobacco Tax Act, Madam Chairman, broaden the reporting and enforcement powers in at least the following areas. First of all, the power to

> refuse to issue a licence to a person who has not been dealing at arm's length with another person who has already been refused a licence or whose licence has been suspended or canceled: I don't find that difficult to support. Secondly, there are provisions regarding the notification of refusal, suspension, or cancellation of licence, as well as notice of objection and recourse of appeal to the courts that are now applicable to exempt the retailers who may be selling tobacco exempt of tax if registered as an exempt sales retailer.

I also note provisions within the Act regarding increased powers to garnishee debts that are owing by a person under the Act from third parties, a move which I can understand, and that there is also a stiffening of the terms and conditions of joint and several liabilities on the part of the directors of corporations to pay these taxes and any interest penalties that might accrue. It appears that the province is getting quite serious about the collections in this area, and I support that move.

The other area that I'm encouraged to see is that there are some new enforcement provisions to assess the overpayment of refunds made by the Crown to retailers who sell tobacco exempt of tax if they are registered as an exempt sales tax retailer. Finally, I see that there are also some provisions here in terms of an increased capacity for search and seizure provisions which allow police officers to examine property such as tobacco to ensure that the product is properly marketed, and I support that as well.

These measures are going to go a long way toward reducing and even preventing smuggling of tobacco products in our province, Madam Chairman, and they even address the issue of mail order tobacco, which I was happy to see included. Somebody clearly had good foresight in that regard.

I suspect that the number one problem that we still have is just the tremendous use of tobacco products by particularly our younger people. It seems that we've gone through a critical period in the evolution of our thinking about tobacco products. For a long while we were moving away from it, and now I see that the statistics are heading the other way again. Anything that we can do to help focus more education on the part of the youth and direct their attention to the detrimental effects of cigarette smoking the better.

We have for a long time on this side of the House advocated several ideas with regard to tobacco control in Alberta and how we can help to reduce the level of use. Perhaps taxation is one of the areas that we need to take a look at as an incentive or a disincentive, if you will, regarding tobacco consumption. That tobacco control strategy is not only aimed at youth, obviously, but a greater education is always necessary when you're talking about something that basically is a voluntary move toward one's own health.

11:20

I note that there are some reporting requirements in the Bill,

too, that have been beefed up here, which I support, because I think these rollbacks in tobacco taxes are nothing more than a simplistic solution to the larger, more complex problem that I've just enunciated, in particular the smuggling that goes on, not so much even smuggling, but just minors who are buying this tobacco and/or adults who are passing it on to younger kids.

I was encouraged to note two reports, which I would just offer here as I wrap up my comments. One of them is a report in the *Canadian Journal of Public Health*, September-October 1996, authored by Dr. Kerry Mummery and, I think, Les Hagen. It's revealed there that there's a causal connection between the level of tobacco taxes and consumption patterns, and between 1985 and 1995 the average price of cigarettes in Alberta actually rose by 78 percent, which surprised me, while consumption declined by 43 percent per capita over that same period. Now, that's quite a large period of time. That's 10 years. So clearly we were on the right track there for a while anyway. There are significant impacts here in this study that point up the linkage, then, between the level of tobacco tax revenue, which is what this Bill is all about, and the incidence of consumption.

The second study is one done by the Canadian Centre on Substance Abuse wherein it was revealed that tobacco accounted for more than $9.6 billion in total costs across Canada in 1992, including about $4 billion in costs to the health care system alone. So it is a very, very serious matter, and we all know that it's the single greatest preventable health hazard facing our society and particularly our youth. Now, that study by the Canadian Centre on Substance Abuse was done in 1996, so it's very current, Madam Chairman, and has tremendous applicability to the Bill before us. So what we need, then, is a larger, more comprehensive strategy for tobacco control if we're going to see a reduction in the consumption.

Briefly here, I realize that the people who sell tobacco and tobacco products are actually people who sell the tobacco and then retain the tax in a trust sort of fashion for envoyance to the Provincial Treasurer. So they hold those funds in trust, and there is a need to have specific legislation governing not only the collection but how the moneys sort of flow back into the Provincial Treasury just to make sure that everything is on the up and up. The amendments to the Tobacco Tax Act as laid out here in Bill 24 broaden the enforcement powers and the record-keeping provisions in order to preserve the integrity of the tobacco tax revenue base and the collection and envoyance to the Treasurer and the ability to respond to the reduction of the federal excise tax rates on tobacco products that were enunciated, I think, back in 1994.

So we see here wholesalers, importers, and retailers who sell tobacco to consumers having to collect that tax owing on that sale and remit the tax collected to a tax collector or an agent or, if so directed, directly to the Provincial Treasurer. Anybody who buys tobacco in the province of Alberta from a retailer must pay these tobacco taxes, which I believe are about seven cents per cigarette, 15 cents on cigars, and about four cents per gram on loose tobacco, unless of course the buyer is exempt from the tax, as I indicated earlier.

We note some of the restrictions governing retail sales: the fact that retailers can only buy tobacco from wholesalers who are licensed by Alberta Treasury unless they obtain an importer's licence from and enter into a tax collector agreement with Alberta Treasury directly. There's also some incentive here with regard to late remittances or remittances of less than the total tax due that attract interest charges on the portion that is late. I support those incentives to encourage people to make more timely payments, and I believe this Bill addresses that, so I'm very encouraged by that.

One point with regard to section 2, under definitions, is the provision designed to prevent smugglers from imprinting fake duty-paid-in-Alberta strips on cigarette packages. I didn't see what the provisions were for the penalty side of that clause. I may have missed it, Madam Chairman, but anything as common sense as picking up on fake duty paid that we can stiffen and start to enforce more rigidly I would certainly support.

In section 5 I notice that

> the Minister may refuse . . . a licence to a person who is not dealing at arm's length with [another] person whose application for a licence has been refused or whose licence has been suspended or cancelled.

I think it's also a good stiffening move.

The other sections that set out specific terms and conditions for payment by third parties to the Crown in respect of liabilities owing by another person under the Act are outlined in section 9, and I support those comments as well.

Section 10 expands the liability of a corporation to remit taxes collected under the Act to include the directors of a corporation under certain specified conditions. I think this will act as a great incentive for directors to make sure the retail outlets they represent do comply with the Act and that the tax is generated and forwarded on a timely basis. There's a need, I suppose, for some rationale behind the decision there also regarding the two-year statute of limitations concerning the liability of directors or of corporations that are no longer associated with the corporation, but I believe that has already been addressed earlier.

Section 14 deals with assessments and recoveries of a refund overpayment made by the Crown to a retailer within a specified period of time. The liability of a retailer here for the amount of that overpayment is not affected by an incorrect or incomplete assessment or by the absence of an assessment by the Crown. But I note that a penalty equal to the amount of the overpayment may be prescribed by the Crown if it is determined that the refund overpayment was due to neglect, carelessness, fraud, or wilful default of the person who prepared the return or supplied information to the Crown under the Act. So any falsities that might have occurred will be dealt with quite stiffly.

We do have one area of concern in section 14 which I don't know that the mover of the Bill has addressed. I'll just read it for him, and he can comment on it at another time. There's a provision for the retailer to keep records for a four-year period, particularly in the case where the overpayment was due to an incorrect or incomplete assessment or the absence of an assessment by the Crown. It seems somewhat onerous to have this in the Bill, and perhaps that could just be explained. I'm not opposed to that necessarily; I'm just asking for an explanation.

Madam Chairman, the final comment I will make here is that I fully support some of these broader changes that are ushered in by this Bill, such as increasing the power to enforce debts by a person under the Act, which I commented on. The notion of making directors or corporations liable for payments in the event of failure of a corporation to remit the proper tax owing is a good move as well. Just providing more effective tools of enforcement and reporting to preserve the tobacco tax revenue base from the impact of tobacco smuggling and lower tobacco rates in general across central Canada is something that I find also quite commendable.

11:30

With those brief comments, Madam Chairman, I'm pleased to again reiterate my support for Bill 24. I think it's going in the right direction, and hopefully the larger strategy of tobacco control will eventually yield some very positive results, as I say, particularly for the younger children in our society. I note in closing that roughly 500 million people alive today will die of tobacco-related causes. I think some incentives to encourage them to kick the habit or not get into it are necessary, and I believe this Bill does address some of that.

Thank you very much.

[The clauses of Bill 24 agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

MR. HANCOCK: Madam Chairman, I would move that we now rise and report progress.

[Motion carried]

[Mrs. Gordon in the Chair]

MR. SHARIFF: Madam Speaker, the Committee of the Whole has had under consideration certain Bills. The committee reports the following: Bills 18, 27, 10, 17, 19, and 24. The committee reports the following with some amendments: Bill 23. The committee reports progress on the following: Bill 21. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

THE ACTING SPEAKER: Does the Assembly concur with this report?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed? Carried.

[At 11:35 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]