

Legislative Assembly of Alberta

Title: **Wednesday, May 10, 2000**

8:00 p.m.

Date: 00/05/10

[The Speaker in the chair]

THE SPEAKER: Please be seated.

head: Government Bills and Orders

head: Third Reading

Bill 11 Health Care Protection Act

Mr. Klapstein moved that pursuant to Standing Order 47 the previous question be now put.

[Adjourned debate May 9: Mr. Melchin]

THE SPEAKER: The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you, Mr. Speaker. Today is indeed a black day not only for Albertans and our precious health care system but also for democracy. The debate on Bill 11 has been controversial, emotional and continues to generate more and more opposition as not only Albertans but also Canadians become aware of its contents.

This bill has been described by the Premier both as a groundbreaking bill in the delivery of health care which will alleviate Albertans' pain and suffering and also as a minor change that will have no impact on wait lists and Albertans' pain and suffering. Besides these contrary messages the Premier and various government members have accused the Official Opposition, unions, health care professionals, religious leaders, scholars, economists, and even their own constituents of being malicious, fraudulent, despicable, un-Albertan, whiners, left-wing nuts and of spreading misinformation and not capable of understanding the intent and the facts of Bill 11.

All these insults have been hurled at Albertans for daring to question the motives of a government that cannot answer the simple question: why? For six months we have been waiting for the answer to that question. Why do this Premier and his government members insist on bringing in a bill which sets the parameters for the introduction of private, for-profit health care in this province?

It is important for the Premier and his members to understand that the Official Opposition's and Albertans' objections are not based on speculation but on a solid understanding of what Bill 11 says and allows. Our objections are not based on conjecture but on solid evidence from around the world that two-tiered health care is more costly, less efficient, and contributes to poor patient outcomes.

As doctor Walley Temple, a renowned oncologist, stated:

Why would we want to experiment with another model, known to be expensive, unreliable, and a bigger gas guzzler?

Why would we want to replicate a problematic system, where there will be no turning back, and where the results will be measured in people's lives?

These are some of the whys this government can't or won't explain, nor could their \$3 million advertising campaign buy the support of Albertans.

What's wrong with the bill? On behalf of the tens of thousands of Albertans who have written, faxed, phoned, e-mailed, signed petitions, and rallied, I will attempt one more time to explain some of the main concerns that have been expressed by Albertans from across this province.

First, I want to make it crystal clear that this government is ignoring the key recommendations of its own blue-ribbon panel on Bill 37, which was the predecessor to this bill. These recommendations said that the distinction between a hospital and a nonhospital

procedure should be based on a recovery time of 12 hours and that any procedure requiring more than a 12-hour stay should be performed in a hospital not a stand-alone surgical facility, which is what this bill provides for.

In addition, the blue-ribbon panel said that should overnight surgeries be permitted in a surgical facility, that facility would in fact be a hospital. This panel further recommended that there was no need for stand-alone legislation, but what was needed were changes to the Alberta Health Care Insurance Act, the Hospitals Act, and the Medical Profession Act and that this was a response to overtures made by HRG to initiate overnight stays in its facility.

In drafting Bill 11, this government has in fact provided legislation which is unlike any other in Canada. It specifically allows for the provision of overnight stays in surgical facilities, otherwise known as private hospitals, the selling of enhanced services, the establishment of 17 different conflict of interest guidelines, and the guarantee of a profit to these private clinics. By now we all know that surgical facilities is just a code word used by this government to try to mask what they really are: private, for-profit hospitals.

Let me give you an example for those who are saying that it's not true, an example of how enhanced services delivered in these private, for-profit hospitals will extend their product lines, increase prices, and have the guaranteed profit. First, enhanced services are not uninsured services as we know them but are add-ons to medically necessary services. Up to now, when we have had to go to a doctor, we have never had to worry about what would be sold to us. Either it was medically necessary, so we needed it, or it was not. Now when Dr. X suggests that procedure Y is needed, we have to wonder: do we need it, or is it because of the profit motivation?

Recently we saw the government approve soft lenses for cataract surgeries. What the government is probably unaware of is that the next generation of enhanced services in the provision of cataract surgeries is going to be the offering of lenses that have a filter. These lenses are about \$600 an eye, and those are out-of-pocket costs.

Remember, for-profit facilities means that the emphasis needs to be on extending product lines and increasing prices. Furthermore, the government has provided a guaranteed 12 percent profit as part of the administration fee to provide this enhanced service. Well, that's not a bad deal for the private sector, but I don't think and I know Albertans won't think it's a good deal for them.

There is another fact that hasn't received much discussion, and that is the fact that this bill sets up different standards of oversight for different types of surgical procedures. There are – and all the government members can check their bill – insured surgical services, uninsured inpatient surgical services, enhanced surgical services, and uninsured day surgical services. Now, if the government were truly sincere in its attempt to regulate surgical services being provided by the private sector, can someone tell me why all surgical services would not be treated in the same way?

The most frightening statement that the Premier and government members make is that there are no regulations currently in place regarding these surgical facilities. This statement ignores the fact that the Hospitals Act, the Regional Health Authorities Act, the Medical Profession Act have provisions to regulate and control these facilities. In fact I will read once more the provision in the Alberta Hospitals Act, section 62(a), that states – and you can all check that one as well – that the minister has the ability to make regulations relative to contracts with private hospitals. Can't be any clearer. And the College of Physicians and Surgeons has a document outlining the standards for nonhospital surgical facilities. In case the government members have not seen it, this is what it is: College of

Physicians and Surgeons of Alberta Standards for Non-hospital Surgical Facilities. So to say that there are no standards in place and regulations in place is misleading.

So why do we need this bill? That is still a question that has not been answered. Why do we need a bill that promotes private, for-profit health care in this province, and what lies ahead for us?

8:10

For those of us who are pledged to fight for the protection, maintenance, and enhancement of our public health care system, Bill 11 signals the beginning of the fight. It is the call to arms to protect, again to quote Dr. Temple: "the sacred trust between the patient and physician. A trust that not only provides comfort but also healing." Albertans will remember the consultations on Bill 11. They will remember the information that is provided. But, more importantly, I believe what they will remember is the callous turning of this government's back on its citizens' concerns, and that is what will rest in people's minds.

The government has tried to calm troubled Albertans by saying that nothing major will happen when this bill becomes law. Well, those warm words are cold comfort to the people of Alberta who know this government's track record all too well. Give them an inch, and they will take a mile. With this bill in place if ever this government gets another mandate, the floodgates will be open to privatized, for-profit hospitals and the inevitable and irreversible decline of our public health care system. That is something Albertans can see on the horizon. That is what they don't trust, and that is what they will not tolerate.

As Drs. Woolhandler and Himmelstein have said:

Our main objection to investor-owned care is not that it wastes taxpayers' money, nor even that it causes modest decrements in quality. The most serious problem with such care is that it embodies a new value system that severs the communal roots and samaritan traditions of hospitals, makes doctors and nurses the instruments of investors, and views patients as commodities.

In fact, this government has often said that patients are consumers, that health care is a commodity.

In nonprofit settings, avarice vies with beneficence for the soul of medicine; investor ownership marks the triumph of greed. A fiscal conundrum constrains altruism on the part of not-for-profit hospitals. No money, no mission. With for-profit hospitals, the money is the mission; form follows profit.

Now, one of the reasons the government insists we need to have this option is in order to ensure that our health care costs are kept under control. In fact, we have seen that this is not the case and that the myth that has been created by this government that health care costs are out of control is easily disputed. Per capita health care costs in the last seven years had increased only \$50 before the present provincial government cuts.

In Canada the costs haven't changed in 20 years and are only 8.9% of gross national product . . . The costs of our health care is \$2500 per person and it provides us with 100% coverage. In Alberta we spend less than 8 other provinces and our hospital costs per capita are still the 7th lowest and 15% less than in 1992.

So the question is: where are the runaway costs?

Contrast this to the wealthiest nation in the world, the United States, where 2/3 of the population is insured but still pays 20% of the bill and 1/3 is undercovered or has no coverage at all. The US government spends \$4000 per person to support this system and each American pays an additional \$5400 out of his or her own pocket. Is this the system we want to adopt?

All peer-reviewed studies show that non-profit care is less expensive than for-profit care. The belief that for-profit minimizes cost and maximizes care is just not true. American economists calculate that if the money spent in the US was used in Canadian-style health care, there would be enough to cover all the health needs of their country.

Those were statements, again, made by Dr. Walley Temple.

For those of you who do not know who Dr. Walley Temple is, he is an oncologist who is the chief of surgical oncology at the Tom Baker Cancer Centre in Calgary, professor of surgery at the University of Calgary medical school, president of the World Federation of Surgical Oncology Societies, and editor in chief of the international *Journal of Surgical Oncology*. He is another expert who indicates to this government that their plan is the wrong way to go.

Though the government members may scoff, may laugh, may shake their heads in refusal of an undeniable fact, the reality is that when this bill is looked at word by word and clause by clause, it does exactly the opposite of what the government contends it does. The reason it does that is that it starts from the fundamental premise that for-profit health care is okay. When a piece of legislation is drafted and the fundamental basis on which it is drafted is wrong to begin with, the results are what we see here in Bill 11.

If in fact, again, the government members do not wish to believe that, all they need to do is go back to the recommendations of the Bill 37 blue-ribbon panel, which this government established, and look at what their recommendations were and ask the government executive, ask the minister of health, ask the Premier why in fact those recommendations were not followed. I think you will find the answer there. The answer is because those recommendations clearly outlined that for-profit health care does not have a role in Alberta. If in fact the government does wish to establish for-profit health care, what they then need to do is call it what it is, and that is: a surgical facility is a private hospital.

The Official Opposition believes that our health care system is too precious to entrust to market medicine. Not only do we believe that, but in fact the majority of Albertans believe that as well. Poll after poll after poll, even the government's own polls, indicated that that was true, that Albertans do not want to see for-profit health care in this province.

This government has one last chance. It has a chance to step back, to look at the facts, to hear what the concerns are of Albertans, and to make that bold move that they should have made months ago upon introduction of Bill 11, and that is to pull the bill. It is not too late to admit that there is an error in judgment. It is not too late to admit that there is a mistake. It is not too late, if it is one way of saving face for the government, to say: we will not proclaim the bill, but we will send the bill off to the other Premiers across Canada to look at it and see whether or not our bill meets the requirements of the Canada Health Act. It is not too late to do any of those steps, nor is it too late for the government to open those closed doors and at least, if nothing else, allow the public to have input on the many regulations that this bill still needs in order to enact it. In order to put the meat on the bones, regulations will have to be passed and put into place. Now would be an opportune time for the Premier to announce that there will be public hearings on the regulations, if in fact he does not have the guts, if I can call it that, to pull the bill.

The time has come to stop ignoring Albertans. The time has come to listen to their concerns. The time has come to look at the real facts that are presented by Bill 11. The time has come to recognize that Bill 11 opens the door to for-profit health care in this province. The time has come for this government to do the right thing, and the right thing is not to pass the bill. The right thing is to pull the bill and to know that this bill will not provide for the protection of public health in this province.

No, it is not a done deal. The reality is that the fight for public health care in this province is far from a done deal, and it is just beginning. So if the government will not do the right thing, Albertans will ensure that in the next election they will have in place

a government that is committed to public health care and that will do the right thing for the concerns of Albertans in this province.

Thank you very much.

8:20

THE SPEAKER: The hon. Member for Peace River. [interjections] I'm prepared to hear you, hon. Member for Peace River.

MR. FRIEDEL: Thank you, Mr. Speaker. It's my pleasure this evening to rise and speak on behalf of Bill 11. At this point one has to wonder if there's anything about this bill that hasn't already been said. Certainly we've reached the point where everyone who has been interested has taken a position either for or against the bill, and what I plan on doing in the next few minutes is to outline the events as they unfolded in my constituency of Peace River during the course of the debate on the bill and in the past few months.

This is without doubt one of the most talked about issues in my seven years as an MLA. What intrigued me, however, was how the feedback began and then how it shifted as the bill was circulated and the facts were picked up. In fact, Mr. Speaker, I find it most refreshing that the general public is much more astute about what's going on than we often give them credit for. I found people looking for information, many looking for clarification and then making up their minds about what they want or what they don't want.

In February, Mr. Speaker, Bill 11 was really becoming quite a hot topic. Back then the feedback that I was getting was approximately 60 percent against and 40 percent for the bill. It was obvious that the opposition was based on the fear propaganda that was being circulated at the time. What's interesting or, should I say, sad is that all this information was being spread by the Liberal and the ND opposition and the Friends of Medicare before they ever saw one word of the bill in print. In other words, what they were saying was: it doesn't matter what's in the bill; we're not going to like it. That's how the smear campaign unfolded. They frightened many people unnecessarily, and in fact that's still going on.

You know, even before the bill was printed and mailed out, people were already calling and expressing doubt about what they were hearing, and I can say that they were right. After the bill was mailed out, what I really noticed was the astuteness of the people that were reading it and seeing what was in it. The tone of the calls was now starting to change. The people were starting to say things like: is that all Bill 11 is really about? From there until today the level of support has gradually shifted so that right now, according to all my contacts with my constituents, it stands at approximately two-thirds in favour. It's on this basis that I can stand here this evening and comfortably say that I must vote in favour of Bill 11.

I know that many constituents also expressed their opposition to the bill, and some are likely going to be disappointed in me. It's too bad that we cannot please everyone every time, but I've also learned a long time ago that we don't only get to make the easy decisions in here.

What does this bill mean to the constituents in the area that I represent and in many others like it? That's beside the fact that we as government, along with our regional health authorities, have an obligation to the citizens of this province to obtain the best value for the dollars that we spend on their behalf. I could almost stop there because that would describe the essence of Bill 11: to ensure that we get the best value for Albertans. If we are not good stewards of the finances and the operations of the province of Alberta on behalf of our citizens and our electors, then we have no business being in this Assembly.

Mr. Speaker, I'd like to take this one step further though. I want to give you a very practical example of how a patient from a small

rural community could be a beneficiary of this bill. It's not likely that the smaller rural hospitals or their RHAs are going to be contracting out surgical services. They do, however, regularly send patients with serious, major medical problems to the larger hospitals, notably in Edmonton and Calgary, and all too often I hear from these patients or from their families that they've traveled to Edmonton for surgery only to be bumped because the operating room was needed for an emergency. So now they're back on the waiting list, and there is now the connection.

All types of surgery compete for the available time and space in the hospitals, everything from removing tonsils and appendix to bypasses and heart transplants. I just have to ask the question: if the operating rooms are being used to capacity, what's so wrong with contracting out some very minor procedures to relieve these pressures and to allow the very expensive facilities to be used for the more serious procedures and reduce those waiting lists as well? More than likely a contract would be with an existing day surgery clinic – many of them are around right now – that with only minor modification could be used for some overnight stays.

I could go on with more details on how this could work, but why does this have to be made so complicated? One of my constituents said a few weeks back after he had read the bill: this sure doesn't sound like rocket surgery. I'm not sure if he intended the pun, but he went on to say: well, what's so bad about it? It isn't, unless you're looking for the imaginary dark side to such an extent that you can't see the benefits in anything.

Mr. Speaker, I had the opportunity to work on several aspects of developing Bill 11, and I've had the opportunity to discuss it with hundreds of people, at meetings of all sizes, with many individuals in person and on the phone, through letters and through e-mails. I can't imagine a question that hasn't already been asked or a point of view that was not put forward. The amendments presented by the minister incorporate most of the feedback that we have received. Is it a perfect solution? We'd have to be pretty naive to expect that. In fact, I'd say that we have to keep looking for even more solutions to solve the pressures on our health care system. Is it a step in the right direction? A majority of my constituents think so, and I agree with them. That's why I voted for Bill 11 in the first two stages, and I'll vote for it again tonight in third reading.

Thank you.

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I'm pleased and proud to rise and speak to third reading of Bill 11. Every time I rise to speak, in fact every time I enter this Assembly, this building, I'm reminded of the awesome privilege that it is to be here to represent the people of Edmonton-Whitemud and the people of Alberta. When we talk about health care policy, an issue which is so close to every Albertan because every Albertan is affected by or served by the health care system at some time, we feel the debate to be intense. Bill 11 is no exception, and the responsibility and the privilege are even more pronounced.

Mr. Speaker, the most important aspect of Bill 11, in my view, has been the public debate. This has been almost a unique process. The process was started in November with a policy statement made by our Premier on television to all Albertans, and at that time he invited public discussion, public input, public debate. MLAs went out to constituencies and talked to Albertans about our health care policy, particularly about the policy relating to surgical facilities.

8:30

In Edmonton-Whitemud we circulated a newsletter to all constitu-

ents, enclosing the policy, and in January had a community focus meeting, which was very well attended, where I could get feedback directly face-to-face from constituents. As well, many meetings, phone calls, and e-mails took place.

The results of these discussions were brought back to the Minister of Health and Wellness, brought back to caucus not only by myself but by other MLAs who had done the same types of processes in their constituencies. Bill 11 was drafted with the benefit of that input, input from MLAs and government caucus from all around the province.

Mr. Speaker, I'd make particular reference to section 2 of the bill, inserting in the bill, which wasn't previously in the policy, the fact that major surgery must be done in public hospitals and that the definition of major surgery would be left to the College of Physicians and Surgeons. That's something the people of Alberta asked for when they were consulted by their MLAs. That's something that was drafted into the bill as a result of that consultation.

In section 5 of the bill we talk about enhanced services. Enhanced services weren't mentioned in the original policy. They were included in the bill because the Consumers' Association and Albertans said there needs to be protection for Albertans in the area of enhanced services, and that protection, Mr. Speaker, has been built into the bill. It's been built into the bill not to rule out the use of enhanced services in appropriate cases but to make sure that informed Albertans who are offered these services know what they're being offered, know whether they need them, and know whether they want to buy them.

The bill, with the benefit of that input from Albertans, was drafted and was tabled on March 2, and in an unprecedented step mailed to all Albertans for open and public discussion. Again, this MLA delivered material to every household in his riding, asking Albertans whether they'd received Bill 11, whether they'd read it and asking for feedback, and again hosted a community focus meeting in the constituency to get face-to-face feedback and again had many calls, letters, personal meetings, e-mail, so many in fact that not all of them have been answered, but they all will be answered.

The benefit of that input can be seen in the amendments to the bill, amendments that enhance the provisions relating to queue-jumping, that eliminate any opportunities for profit on enhanced goods and services, contrary to what the Member for Edmonton-Meadowlark has just said, requiring RHAs to consider the efficient use of existing capacity, clarifying the privative clause, requiring conflict of interest rules by RHAs and the College of Physicians and Surgeons to enhance existing common-law conflict of interest rules.

We've now had 47 hours of debate in the House. In addition, Mr. Speaker, we've also as members of the government caucus had an opportunity to spend many additional hours bringing back the views and concerns of our constituents and to have an open and thorough debate of the amendments as well as many other issues relating to health in the context of Bill 11. I only wish Albertans could have seen and heard that debate as well, because it's that type of debate, with all members working together to improve the bill based on input from constituents, which leads to constructive policymaking.

A very important aspect here is that while many Albertans will see that the government has dealt with their concerns in the bill and in the amendments to the bill, in some cases their concerns were not dealt with in the bill. Bill 11 was not designed to deal with all issues in health, but Albertans should rest assured that they have been heard by this member, by this caucus, by this government. In many cases, Mr. Speaker, those concerns were already being addressed by the Health and Wellness business plan. In other cases the highlighting of service concerns will impact directly on government decisions and decision-making as we move forward. In some cases concerns

were based on broader issues relating to NAFTA, profit, and other issues, where we may have to respectfully agree to disagree.

I don't want to and I don't intend to diminish any Albertan's concerns. I would only say that this member and this government stand foursquare behind the public health care system. We will promote it. We will protect it. We will not diminish it. We will ensure that health care in Alberta continues to be there for Albertans, for our parents, for our children, when they need it and that services will continue to be enhanced and improved and that where there are problems – and yes, Mr. Speaker, there are problems – those problems will be addressed and are being addressed.

Mr. Speaker, I'd like to deal briefly as well with the importance of the public debate, because this issue is larger than Bill 11. We've seen improvements in technology. We've seen improvements in drugs and drug protocols, in surgical techniques, in diagnostics. We've greatly increased the pressure on our public system. More can be done for many people than ever before, and more is being done in every area than ever before. This is due in large measure to the members of the health care professions who give yeoman service every day to help Albertans in need of medical help. It's also due to the good work of the many volunteers in Alberta who work hard to ensure that funds are available to enhance and improve the equipment and facilities available. And, of course, the government has made it a priority to ensure that we have the best equipment and facilities possible with the resources available, and those are considerable resources by any measure.

But one of the disappointing elements of the debate has been that every afternoon, every day I've sat here in the Assembly and listened to members of the opposition, the vast majority of whom come from the great city of Edmonton, rise in their place to urge the government to stop promoting private health care and undermining public health care. If you only listened to the Liberals, you would incorrectly assume that this government has not done one single thing for the city of Edmonton or the province to improve the provision of publicly funded health care and publicly administered health care. Well, Mr. Speaker, nothing could be further from the truth.

For the benefit of my constituents in Edmonton-Whitemud as well as all Edmontonians and all Albertans, I'd like to highlight some of the recent government initiatives that show that public health care has been improved in this city. Just last month my colleague the Minister of Health and Wellness announced that the Capital health authority will receive two new MRI units in addition to the three units already operating within the public system in Edmonton today.

MRIs are increasingly important in diagnosing a wide range of ailments, and rapid access to an MRI can often make the difference in whether or not a patient can be successfully treated. With the addition of four new MRIs in Edmonton and Calgary and the others already announced in Medicine Hat and Grande Prairie, Alberta will become the province in which publicly funded MRIs are most easily accessible. Over the past five years total MRI scans in Alberta have increased by 138 percent. The new MRI machines will guarantee that the total number of scans will increase further. Mr. Speaker, regardless of what the opposition says, Albertans who need an MRI will receive it quickly through the publicly funded system.

Mr. Speaker, in addition, Alberta Learning has created 26 postsecondary positions to train MRI technicians. [interjection] This announcement will ensure that new MRIs will always be staffed. The Member for Edmonton-Glenora says: what's this got to do with Bill 11? For the last 47 hours I've been listening to many of the opposition members on the other side saying that we don't deal with MRIs in Bill 11. So now I'm advising them why we don't deal with MRIs in Bill 11. Because we've already dealt with MRIs.

My constituents, Mr. Speaker, and all Edmontonians should also

be aware of the new neonatal intensive care unit that recently opened at the Royal Alexandra hospital. The Minister of Infrastructure attended the opening, and I was pleased to be there as well. This \$8.5 million unit will serve the needs of premature infants not just in Alberta but across western Canada. The new intensive care unit will be crucial in ensuring that infirm newborn Albertans are given every chance of survival.

Mr. Speaker, I could go on. Other health care initiatives in our city have made Edmonton the centre of excellence in public health care delivery. They include a world-class adult intensive care and burn unit at the University of Alberta hospital, renovations for the Stollery children's care centre at the University of Alberta hospital, a new emergency department . . . [interjection]

Speaker's Ruling Decorum

THE SPEAKER: Hon. Member for Edmonton-Riverview, the chair listened very attentively to the courtesy that was extended to the hon. Member for Edmonton-Meadowlark for 20 minutes. There were few, if any, interjections and certainly none that were heard above a murmur, and the chair would request the same degree of courtesy now to be afforded to the hon. Government House Leader.

8:40

Debate Continued

MR. HANCOCK: Thank you, Mr. Speaker. We'll soon be opening – this is the truth, and you should hear it – a new emergency department at the University of Alberta hospital. We have an upgraded Norwood continuing care facility. We have a new Northeast Edmonton community health facility and \$16.5 million for new long-term care facilities provided through public/private partnerships. So when the opposition suggests that our government is promoting private health care at the expense of public health care, you only have to look at the city of Edmonton to see that they are wrong.

Bill 11 will not decrease the number of MRIs done in the public system. Will Bill 11 stop the training of new health care professionals at the Alberta universities? No. Will Bill 11 close down the neonatal intensive care unit at the Royal Alex? No. Will Bill 11 halt improvements to the emergency at the Children's intensive care centre at the U of A hospital? No.

Mr. Speaker, as an MLA for Edmonton and for Edmonton-Whitemud I am proud to meet with my constituents to discuss our government's record in health care. We have a proud past and a strong future to look forward to. Health care is an important public trust. This member, this government, and this Premier have demonstrated that the public health care system is our highest priority. Bill 11 is but one small part but an important part of a health care vision. We see healthy Albertans in a healthy Alberta.

THE SPEAKER: Hon. the Premier.

MR. KLEIN: Thank you, Mr. Speaker. I appreciate this opportunity to speak once again to Bill 11, the Alberta Health Care Protection Act. As has been pointed out, almost half a year ago I went on province-wide television to discuss a proposed new health policy for Alberta relating to the operation of surgical facilities, a policy which an *Edmonton Journal* editorial called a ringing declaration of what is effectively a bill of health care rights. At that time I laid out the five key principles behind that policy, principles that shaped the bill that was to follow. Those five key principles were very simple, very plain, and very straightforward.

The principles are these: all Albertans will have access to ensured

medical services through the publicly funded system; no Albertans will pay for ensured medical services, and nobody will be able to pay to get faster service; regional health authorities will be responsible for all insured surgical services regardless of where they are delivered; private providers of insured services will be able to operate but only under contract to regional health authorities and only within the principles of the Canada Health Act; and health authorities will be allowed to contract with privately operated facilities for surgical services only if it will improve access and efficiency or reduce waiting lists.

Well, Mr. Speaker, very shortly those five key and wonderful principles will be enshrined into law. Those wonderful principles will be enshrined into law, and the Liberals and the NDs will oppose that. Very shortly there will be tight regulatory fences around surgical facilities, fences that weren't there before. Very shortly Bill 11 will be law, and this government will be moving on to deal with other issues in health care, other issues across government.

Mr. Speaker, getting from that television address to this day has been a very interesting process, to say the least. For me and for every member of the Assembly and for every Albertan it has been six months of seemingly uninterrupted debate and discussion, from the floor to the floors of hockey arenas, the food courts of shopping malls, the hallways of business, and of course as we see this evening, even as I speak, the steps of the Legislature. It's been interesting, and it's also been an exceptionally valuable process for this government and this province. I want to sincerely thank all of those who have been a part of it.

Mr. Speaker, whether people agree or disagree with the bill, their involvement has indicated that they care and care deeply about the future of health care in Alberta. As members of the opposition have pointed out and as our members of the government caucus have pointed out, they've cared enough to send letters and e-mails, to make phone calls, to attend public forums and so on. They cared enough to call my office or the offices of other members. Some of them cared enough to stand on the steps of the Legislature and wave placards, blow sirens, and clap cymbals.

I am keenly aware that many Albertans have been troubled by what they see as the long-term impact of Bill 11 on the future of medicare. Well, I want to tell Albertans today that this government has not turned a blind eye to those concerns. Our government has made every effort to ensure that this bill's impact will be a positive one. In coming months this government will do all it can to inspire your confidence in the strength of the health system and demonstrate that everything we do with health care is to improve the public system and the quality of health care that Albertans receive.

So, yes, it has been a valuable experience for all involved in many ways. For one thing, it led to an unprecedented set of initiatives by this government to bring Albertans into the discussion at each step of the legislative process. It gave Albertans, in an unprecedented move, the chance to see a bill developed, debated, and passed, a process many have never seen before. That process of seeing a law take shape began with my television address, as I pointed out, in November, which was followed by the release of a full policy statement. At the same time, phone lines were set up so that people could let us know what they thought of the policy. When the bill was introduced in the Legislature on March 2, it was also sent to every household in Alberta so that Albertans could read word for word the bill their elected legislators were about to debate. A web site was set up to serve as a source of constantly updated information about the bill and its progress through this Legislative Assembly.

When the bill began second reading debate, the first full night of debate was televised live across the province, the first time in the history of this Legislature that there's been a live televised process for an evening debate.

Albertans had the chance to hear all sides of the argument presented by members from all sides of the House. Throughout these six months MLAs have also been constantly speaking to their constituents about the bill. They've been speaking to their constituents in town hall meetings, on the street, in correspondence, and in one-to-one conversations. In short, Mr. Speaker, unprecedented steps were taken to involve all interested Albertans in the debate, and I consider that to have been a most valuable process.

The debate has been valuable for other reasons as well. It has helped to stimulate a much-needed national discussion about the future of the Canadian health care system.

8:50

Mr. Speaker, the easiest thing would have been to do nothing, to let the 52 surgical clinics operate as they're operating today, without rules or regulations surrounding the conditions of contract. Yes, some people said: "Why did you touch that third rail, that electrified third rail? Things were going along smoothly." Well, we had the courage as a government to not only talk about doing something in health care but to actually do it.

You know, Mr. Speaker, we hear all the talk and all the rhetoric. We hear people say that something needs to be done about waiting lists and rising costs and constantly growing demand. We hear the federal Minister of Health say that the status quo is not an option. But it's another thing to go beyond the hand-wringing and attempting to do something to fix these problems. Certainly Alberta's attempt has sparked a debate across Canada, and I don't think that spark will be extinguished until Canadians have been assured that their cherished system will not collapse due to neglect or reluctance to make necessary changes or run the risk of being, as I said, health care bankrupt in a few years down the road.

The debate has also been valuable because by being involved, Albertans and Canadians confronted some tough questions and provided this government with some solid ideas. Their input helped to shape Bill 11. Their input helped shape the amendments brought forward to strengthen the bill, and their input will continue to set the course for continuing improvements to the health system. It was Albertans' input that helped to generate the health policy announced last November. Albertans said that the government must do something to alleviate waiting lists and the attendant human suffering. Albertans said that health spending cannot continue to spiral upwards indefinitely, and they said that whatever is done, it must be done within the spirit of the Canada Health Act and within the umbrella of the publicly funded system.

Albertans do not want a two-tiered system where those with money can get faster or better service. They told us that in no uncertain terms. That initial input shaped Bill 11 and the five principles behind the bill that I mentioned earlier.

Subsequent input from Albertans helped shape the series of amendments that we introduced at the committee stage, amendments to eliminate the profiteering motive in the sale of enhanced services, to strengthen conflict-of-interest guidelines, and to eliminate the opportunity for queue-jumping for insured services through the sale of related noninsured services.

Mr. Speaker, the result is that upon passage and proclamation the Alberta Health Care Protection Act will be one of the strongest pieces of legislation in Canada to protect the Canadian health care system. And when people see that to be the truth, when they see that to be the fact, the sirens will stop howling.

The act gives regional health authorities the option to contract out minor surgical procedures if the College of Physicians and Surgeons approves of this procedure being performed outside of a hospital, if the surgical clinic is fully accredited, if the contract has a demon-

strated cost effectiveness, if the authority is already using its own facilities at maximum efficiency, and if there is a demonstrated net benefit to the health system. If any one of these ifs aren't met, the contract will not go ahead. It's as simple as that, and that will be the law.

The act bans two-tiered health care. It imposes fines of up to \$10,000 any time a patient is charged a user fee, facility fee, or any fee for an insured health service. The act prevents queue-jumping. The act ensures that all health services covered under medicare will be paid for by one source, the medicare system itself. Albertans, all you will need to get medically required services is your Alberta health care card. That's all you will need. Notwithstanding the fear mongering that has unfortunately led some Albertans to believe otherwise, no one – no one – will be denied needed health care in this province because of an inability to pay. If you have your health care card, it will be there for you. No one, Mr. Speaker.

As I've said on previous occasions, it's not a matter of trust, as the opposition has attempted to argue. Under this act it will be a matter of law. It will be the law, a law that they oppose, by the way, and a law that will not be subject to the whim of any elected official or bureaucrat or the political rhetoric that we see coming from the Liberal Party and the NDs.

The act requires that any enhanced services are fully explained to a patient in writing and before the surgery. It requires the patient to sign a written agreement to purchase any or no enhanced services, and it requires that patients have the option to change their mind if they want to. It also limits the price that can be charged for an enhanced service so that clinics or hospitals – by the way, this can take place in a hospital; this is not something that is exclusive to surgical clinics – will not be tempted to sell an enhanced service simply to make a profit. Mr. Speaker, those kinds of restrictions on the sale of enhanced services do not exist today. This act puts those restrictions in place, and I think Albertans should be very pleased with that.

In a nutshell, that's what this bill is all about. Mr. Speaker, during the course of this debate there has been a lot of discussion about things that this bill is not about. Certainly the Alberta Medical Association expressed concern about the shortage of physicians and other health professionals. For example, there have been questions about equity of access between rural and urban communities, especially for long-term care. There have been issues raised around the specter of certain services being deinsured. These are indeed important issues and they're important questions, without a doubt, but they are not germane to Bill 11. They are not part of the debate over the merits of this bill. They are being dealt with nonetheless.

In January the minister introduced a six-point plan to address health care issues including staffing levels, waiting lists, access to long-term care, and other situations on the minds of Albertans. Protecting the public system and regulating surgical facilities was one part of this plan. Bill 11 is one component, one component of this plan, and the passage of Bill 11 achieves that goal. The plan also includes improving access to health services through adequate funding and increasing the number of health professionals working in the system. That is going on now, as we speak.

Today, Mr. Speaker, I had a very productive, a very fruitful meeting with representatives of the Alberta Medical Association to seek their assistance in bringing these programs to fruition, and they've agreed to do that. We will continue to work with health care professionals to improve the management of the health system through innovation and efficiency. We will continue to enhance the quality of health services through reform of primary care delivery – twenty-six pilot projects are now under way – the purchase of new

equipment and other measures; increasing the emphasis on wellness, health promotion, and disease prevention through steps such as immunization programs and helping people receive a wider range of care at home; fostering and welcoming new ideas for health care, innovation.

9:00

In the last few months, while the opposition and others have focused solely on Bill 11, this government has taken many, many steps toward achieving all six components of this plan. To name a few - and I know the hon. House leader mentioned some of them. We announced a funding increase of 21 percent over three years for health. We put in place a plan to hire 2,400 additional health professionals over three years, beginning this year. We added the foldable lens used in some cataract surgeries to the list of insured services. We completed a major review of our long-term care system, which will lead to substantive improvement in care for seniors and which has already led to increased funding for long-term care. Of course, much to the chagrin of the opposition Liberals because it was something that was so good, we announced the purchase of four additional public MRI units, which will give us the highest scan capacity per capita of any province in the country, and they didn't like it. These are just a few of the developments in health care over the last few months, and we know the work isn't done, Mr. Speaker.

Over the next few weeks the Health and Wellness minister will be making further announcements of initiatives aimed at achieving all the goals in the six-point plan. These announcements will further address issues such as long-term care, waiting lists, and equipment demands. They will further respond to Albertans' priorities for health care and further implement what Albertans have told us, what their expectations are with respect to health care delivery.

Included in these announcements will be the full membership of the Premier's Advisory Council on Health, an advisory body I first announced back in January. The council, to be chaired by former Deputy Prime Minister Don Mazankowski, will provide government and all members of this caucus and all Albertans with informed advice and analysis on how to make the health system better. I look forward to receiving its input.

As well, soon the minister will meet with his provincial and federal counterparts from across Canada to continue the national review of the health system and how to improve it. [Disturbance in the gallery]

THE SERGEANT-AT-ARMS: Order! Order! Order in the gallery!

THE SPEAKER: Hon. members, please, please.

THE SERGEANT-AT-ARMS: Order! Order!

THE SPEAKER: The hon. the Premier.

MR. KLEIN: Thank you. Mr. Speaker, all of these initiatives are essential to sustaining our health system for the future.

As has been pointed out, no one in government pretends that Bill 11 is the magic solution to all of the issues facing the health system. No one in government has ever claimed that once the bill is passed, all the problems would be solved. Solving those problems will require the energies and goodwill of all Albertans. It will require honest, open, rational dialogue - honest, open, and rational dialogue. It will require the input of physicians, nurses, administrators, and other health care professionals. It will require the ideas and perspectives of all Albertans, and it will require that we as legislators

stick to the issues and not turn the debate into political gamesmanship.

By and large, Mr. Speaker, the process worked. From the evening I took to the airwaves last November to this moment this evening, this government has thrown itself and its bill open to an unprecedented level of public scrutiny. The result is a piece of legislation that Albertans can be proud of. They contributed to its development every step of the way, and it reflects their pride in their health system and their earnest desire to sustain it.

It has been a very tough and very emotional battle. It has meant that my colleagues and I have taken a lot of criticism, some of it perhaps warranted, some of it not, a lot of it not. We've all been well reminded that any adjustments to health care are going to be diligently monitored and assessed by all Albertans.

That's why we'll continue to talk to Albertans about health care. We're not going to stop providing them with information, answering their questions, and pondering their ideas. We're not going to stop doing our very best to protect the public health system, a system which, I assure you, every member of this government values as highly as do all Albertans.

You know, an Alberta political scientist, Roger Gibbins actually, was recently quoted as saying that if we retracted this bill, that move could choke off a creative debate on what alternatives to health care we might consider around this country. I believe that to be true. If this government had said no to Bill 11, governments around the country might have looked at Alberta and said: "Well, that proves that it's too risky to attempt meaningful and positive reform of the health system. Let's just keep uttering platitudes. Let's just keep talking about it. Let's not do anything, and let's take the easy way out and just spend copious amounts of money, even if down the road that money has to be borrowed."

But we didn't say no. We said yes: yes to positive change, yes to a measured effort to make things better, yes to a creative response to a very real issue. And we will continue to say yes, Mr. Speaker. We will continue to do whatever we can to build a better public health system for Albertans of this new century.

9:10

We will not back down, we will not give up, and we will not lose faith that Albertans want us to make the tough decisions and take the measured steps that are necessary to achieve that goal we all share, and that is a better, stronger public health system for all Albertans.

Thank you.

[The voice vote indicated that the motion carried]

[Several members rose calling for a division. The division bell was rung at 9:11 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Amery	Havelock	Oberg
Boutilier	Herard	O'Neill
Broda	Hlady	Paszkowski
Calahasen	Jacques	Pham
Cao	Johnson	Renner
Cardinal	Jonson	Severtson
Clegg	Klapstein	Shariff
Coutts	Klein	Stelmach
Doerksen	Kryczka	Stevens
Ducharme	Langevin	Strang
Dunford	Lougheed	Tannas

Evans	Lund	Tarchuk	Doerksen	Kryczka	Stevens
Fischer	Mar	Taylor	Ducharme	Langevin	Strang
Forsyth	Marz	Thurber	Dunford	Lougheed	Tannas
Friedel	McClellan	West	Evans	Lund	Tarchuk
Fritz	McFarland	Woloshyn	Fischer	Mar	Taylor
Haley	Nelson	Zwozdesky	Forsyth	Marz	Thurber
Hancock			Friedel	McClellan	West
			Fritz	McFarland	Woloshyn
			Haley	Nelson	Zwozdesky
			Hancock		
Against the motion:					
Blakeman	MacBeth	Paul			
Bonner	MacDonald	Sapers			
Carlson	Massey	Sloan	Against the motion:		
Dickson	Nicol	Soetaert	Blakeman	MacBeth	Paul
Gibbons	Olsen	White	Bonner	MacDonald	Sapers
Leibovici	Pannu	Wickman	Carlson	Massey	Sloan
			Dickson	Nicol	Soetaert
Totals:	For - 52	Against - 18	Gibbons	Olsen	White
			Leibovici	Pannu	Wickman

[Motion carried]

[Disturbance in the gallery]

THE SERGEANT-AT-ARMS: Order! Order in the gallery! Order! Remove that person from the gallery.

THE SPEAKER: Okay, hon. members. Just everybody cool it. We still have one more question to call, when there's attention.

Pursuant to Standing Order 47(2) and *Beauchesne* 521(2) I must now put the question on the original question.

[The voice vote indicated that the motion carried]

[Several members rose calling for a division. The division bell was rung at 9:26 p.m.]

THE SPEAKER: Hon. members, please. The people in the galleries will remain where they are. They will not approach the bars for fear of accident or anything else. The hon. members will stay on the floor and speak among themselves on the floor or outside. This is not a forum where you speak up.

I want something else in the next 10 minutes. There was an incident in this Assembly a little while ago. Unfortunately, an individual may have fallen down and hurt himself. When that melee was occurring, there were some remarks that the chair did not hear, but a number of members claim they heard them. The chair did not hear them. His attention was focused on some security matters. I want those hon. members who may have said something inappropriately to another hon. member to be big enough and approach that person to whom they directed those comments and apologize. There are 10 minutes in which to do it.

Thank you.

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Amery	Havelock	Oberg
Boutilier	Herard	O'Neill
Broda	Hlady	Paszowski
Calahasen	Jacques	Pham
Cao	Johnson	Renner
Cardinal	Jonson	Severtson
Clegg	Klapstein	Shariff
Coutts	Klein	Stelmach

Totals: For - 52 Against - 18

[Motion carried; Bill 11 read a third time]

head: Government Bills and Orders
head: Second Reading

Bill 16

Condominium Property Amendment Act, 2000

[Adjourned debate April 3: Mr. Zwozdesky]

THE SPEAKER: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Speaker. I want to make a few comments on Bill 16, the Condominium Property Amendment Act, 2000. I'll keep my comments relatively short.

I look at Bill 16, and to me the highlights of the bill bring into force the Condominium Property Amendment of 1996, which includes amendments for mandatory reserves, funds, and studies. There's a new section that allows condominium corporations to amend their condo plans. It clarifies voting rights for owners or mortgagees. Amounts of money held back in trust are now tied to the cost of completion. Another highlight, for me at least, is that it allows for condominiums to be built in phases.

Now, this is one of those bills where I'm sort of caught between the devil and the deep blue sea. I recognize the need to bring together a comprehensive revised condominium act, because in the former act, the existing act, there are a lot of shortcomings. There has been a great deal of work put into this bill. There's been consultation in certain directions and such. So like I say, on the one hand I can see merit in the bill; I can see rationale to have the bill approved. However, there is some hesitation on my part.

[The Deputy Speaker in the chair]

When we look at consultation, we see consultation having taken place with the Canadian Condominium Institute, with the Alberta New Home Builders Association, with the Alberta new home warranty program. One of the things that strikes me, even in that consultation process, is that the bill seems to be pro development, pro property owner, property management company, whatever. In other words, support comes from those various organizations that are involved with development, involved with management of rental units or of condo units and so on and so forth.

9:40

However, the one organization that didn't appear to be part of the consultation process, at least not part of that committee that was struck, was the Condominium Advocate Association. They're a nonprofit organization providing free information and services to condominium owners throughout Alberta. They represent the individual condominium owners, not the property developers or those that may own a development and hold title to a number of units in one particular project or spread throughout that project or other projects. So that's one of the concerns I have.

Another concern I have is the question of consumer protection. Is there sufficient consumer protection for the condominium owner, or does the bill strictly pander to the developers? If it does, then that would be unfortunate. Even when I look at the consultation process, the owners seem to have been left out of it.

I look at enforcement, the enforcement of the bill. How is that enforcement going to take place? There always has been lack of enforcement, up to now, when we deal in terms of the existing condominium act.

We look at the provisions for a continual review of the legislation and requirements. Now, we see the existing act having been in place since – what? The last time it underwent major amendments was 1978. We saw the amendments come forward to that bill in 1996. We're now in the year 2000, so technically we're speaking of 22 years since we've had a comprehensive look, where we've seen major changes being done to a very, very important act that affects a lot of Albertans, a great deal of Albertans.

The lifting of the maximum penalties for violations of bylaws in the amendments in the amended act is of concern to me. The question of the language of the bill, whether it's user friendly or it's one of those technical bills that is very difficult to interpret, to read. And it is very difficult to read.

Now, when we look at section 11(b), this is one of those ones where I'm always a little skeptical when they say that the minister may authorize an association or organization to carry out any function or duty under this act. This would seem to give the minister the ability to bestow widespread powers in relation to this act to a particular organization. The enhanced regulation-making powers, the list of what can be done by regulation is increased in this bill. Whenever we talk in terms of increased regulation, of what can be done by regulation, of course it's of concern because it takes away from the authority and the legislative right of the Legislative Assembly.

Mr. Speaker, I was involved in a condominium project a few years back with my son, who's an architect. We developed a project on the north side as a result of a competition he entered and won. The stipulation was that the winner had to build it. We actually had to condominiumize the project because of the three units and strike bylaws and set up a condominium association. With three units involved, there were some difficulties, so I saw some of the frustrations of the owners of those three units when they purchased them and formed the association and took over the association.

I can also understand why there are shortcomings in the existing 1978 act and why there had to be this comprehensive review. So that's basically in a nutshell why I use the expression: I'm caught between the devil and the deep blue sea.

Of course, we're at second reading stage now, which allows us, when it passes this stage, into committee stage and to bring forward amendments that may address some of the concerns. Hopefully, some of the amendments that may be forthcoming by members of either side of the House will enhance the act and make the act acceptable not only to the developers, the property owners, but also to the individual condominium owners. If that can be achieved, that's great.

I would hate to see this bill have to be delayed for further consultation, because of the period of time that has gone by. I'm saying that I'm agreeing with the minister, that I would hate to see that happen because of the four years that have now gone by since 1996. There may be a need for amendments, and when amendments come forward, I would hope that government would give them their full consideration, that the minister would review those amendments and take them very, very seriously.

On that note, Mr. Speaker, I'm going to conclude my remarks on second reading and speak again at committee stage.

THE DEPUTY SPEAKER: The hon. Member for St. Albert.

MRS. O'NEILL: Thank you very much, Mr. Speaker. I'd like to speak rather briefly this evening to Bill 16, the Condominium Property Amendment Act, 2000. I'd like to speak to the integrity of the intent of this act. What it does is it will bring into law what so many of my constituents who live in condominiums and who own them have been looking for by way of jurisdictional and organizational ability within law. Whenever any persons or families or individuals own common property, there needs to be that which is in their best interests, and that's what I believe Bill 16 does after great consultation with those who are involved in the organizations and the associations that have been formed to look after the best interests of those who own condominiums.

In particular, as a former realtor when I found anyone who was purchasing a condominium, one of the things I always said to them was, "Let us check out what the reserve fund is," so that they would know what was there for use for common property should major repairs need to be done to the facility, perhaps the roof or the siding or the doors to their respective units, and to the common property as well. Of course, a number of older properties which were designated as condominiums several years ago have either used up their reserve funds or have built, in essence, a strong reserve fund. Because of Bill 16 those who are on the boards for condominium associations will have the surety of knowing that they have laws and regulation within which they must operate.

I also want to speak to the merit that is mentioned here in Bill 16, the requirement that individuals who own respective units must also, whether they be the financial institution or whether they be the owners who perhaps do not reside in that but who subsequently rent it out, must be contacted and must be aware of all that is done that will legally impact upon the ownership and the common ownership of the whole property.

So this bill is needed. I have boards who run the condominium associations in my community who have said that we need the clear direction.

Certainly condominium complexes have grown in number incredibly over the last number of years, and they are growing because it is a lifestyle as well as a place in a unit which people choose to purchase. But with that come responsibilities and from that come the requests from individuals and groups and boards to say: we need clear direction. We need to have the rules and the regulations put in place whereby the boards of these associations can govern as they wish to do.

They have been operating as best they can, and I would like to pay tribute to the members of the condominium boards of the complexes in St. Albert, because I think they have done a very fine job of looking after the interests of the individual unit owners as well as the interests of the common good or the common property as it is legally called.

This bill is needed. It can't be put into law quickly enough from what I hear from those members of the boards of my condominium

associations in St. Albert. I believe that it has addressed the concerns that they have raised. They have been working to the best of their ability without legislation or regulation in some of the more fine-tuned areas of governance of these issues.

9:50

I would urge us as an Assembly to advance this bill through the process as quickly as we can, not because we want to expedite our own proceedings and work here but because my constituents have said: we need this; we need to operate from a point of reference. The intention of this act is to give them clear direction as to how the assets are to be handled, what needs to be in place, and how those who are owners within the complexes wish to operate.

With those brief remarks, Mr. Speaker, I will close, but again I just want to say that Bill 16, when it also has its fine-tuned regulations, I believe will give better direction, clearer direction, and certainly provide purchasers, sellers, and board members with the ability to look after what we like to choose as a lifestyle for ourselves and for others.

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

DR. MASSEY: Thank you, Mr. Speaker. I'm pleased to speak in support of Bill 16, the Condominium Property Act, 2000, at second reading. I should at the outset thank the Minister of Government Services and the officials in her department. A Mr. Wade, I believe. I had some last minute concerns. [interjections] Tim Wade? They were last minute concerns raised by a constituent, and they were most helpful in addressing those concerns and went the extra mile, I think, to alleviate that, and I thank her and her department. I really appreciate that help.

The need for the act, I think, is obvious to everyone who has condominium property in their constituency. Condominium ownership is still a fairly new thing. Historically in our province the legislation dates back to 1966 and then the work that was done in 1996 and the work that is before us in the current bill. It's because it's new that I think we're still trying to work out some of the problems that that kind of living arrangement and business arrangement give rise to.

Condominium ownership, of course, is an attractive living style for many Albertans. If you look at the sides of the river valley in this city, you can see the kind of appeal that condominium living has for individuals. They get spectacular views of the landscape, and they have security. Many of them have in-building security; some have camera security. There's the feeling that you can leave your property with some security that it won't be interfered with. For many individuals, some of whom are professionals, others who travel, others who have multiple residences, that's a very attractive feature of condominium living.

It's that living together, of course, that gives rise to some of the problems that Bill 16 addresses. It's not just residents who like and benefit from condominium-style arrangements. I have in my constituency a number of business condominiums, and they enjoy some of the same benefits as their residential counterparts: the security of having a number of businesses on site that can gather together to hire security services and to monitor the security of their property, the advantage of having a number of businesses on the same location and being able to attract customers and suppliers to that kind of an area. Again, the sharing of common facilities makes it an attractive arrangement for business. It's that grouping of businesses that gives rise to some of the problems that Bill 16 does address.

A very important driver behind this legislation is the kinds of problems that we faced in my own constituency. My first contact with condominium difficulties arose with business condominiums. A new development had a limited number of buyers initially, and those buyers found themselves on the hook for the entire property taxes of the complex before the rest of the complex had been sold. It was, to say the least, a rather devastating blow to some of those novice business owners to find themselves faced with that kind of an obligation and no way out of it in terms of their legal commitments.

I have one of the units where the problem of pine shakes, rotten shakes, has arisen, and again those people are deep into litigation at this point. Bill 16, I think, will help avoid that kind of necessity of people having to retreat to the law to have some of their problems solved.

But the most tragic, I think, happened just recently, Mr. Speaker. I had a call from a constituent who lives in a complex that because of construction difficulties has a mold problem. The problem is of such an extent that the health safety of the people living in the complex has been questioned, and in fact the building is being monitored by the health department.

The constituent that phoned me was really very distressed. She had worked hard and managed to put together a down payment for a condominium in the complex. She had taken out a large mortgage, and now she finds herself faced with repairs that are going to cost her more than what the unit is worth, and she's really, really distressed. Now, they've hired a lawyer to try to recover some of those costs from the developer, because there were, she alleges, some mistakes made in the construction phase.

It's those kinds of stories that I think give rise to the need for really good legislation in this area. That's why this bill is an important bill. It clarifies the kinds of roles and responsibilities of owners, of corporations, of condominium associations, and of developers. It has implications for the kinds of financial arrangements that are undertaken and put in place. I think it will do a great deal to ward off some of the complaints, some of the problems that owners of condominiums and developers and corporations and associations involved in those units face.

It seems to me that as we look at the bill, there are a number of principles. An important principle for me is that owners should have a voice in what happens to their units. That's really clarified, I think, in the bill in a number of places. It reinforces the principle that collectively owners should be able to make decisions on behalf of the unit in the best interests of the owners. It further supports the notion that any moneys handled by corporations or associations have to be handled responsibly and that there are some measures that have to be taken to protect the financial interests of those people involved in either ownership or development, selling or managing those facilities.

10:00

I think the very important principle and the very strength of it is that it provides the kind of protection and delineation and clarification of the rights and responsibilities of those people involved. It makes it very clear how developers are to behave, how owners, condominium associations, and even government will behave in the managing and the addressing of condominium problems. [interjections] Sorry; I've got a little competition from the whip, Mr. Speaker.

I think with those comments, I'll conclude my remarks and look forward to the movement of Bill 16 to Committee of the Whole, where we'll get a chance to look in more detail at some of the specific clauses of the bill.

Thank you very much.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Riverview.

MRS. SLOAN: Thank you, Mr. Speaker. I'm pleased to make some brief remarks this evening with respect to Bill 16. I recognize that this legislation coming forward has been the summation of, I guess, a long process of review.

MR. DICKSON: Ten years.

MRS. SLOAN: Ten years, in fact, as the hon. Member for Calgary-Buffalo points out.

We are aware of the working group that the minister put together in August of 1999, but I don't believe any members of the opposition were part of that working group, to my knowledge.

Certainly we have within our families and we certainly have within our constituencies a number of citizens who have interests in condominiums, and I would say that there is probably not a large majority of them that are completely familiar with what this legislation is proposing to do. As I looked at the attachments, that were graciously provided, there were a number I believe from the Alberta Home Builders' Association and also a letter of support from a Re/Max representative. Those interests in this legislation are very important, and I respect the support that they have provided with respect to Bill 16 and the time they took to put that in the form of a written letter to both government and opposition members.

I received a letter from the Condominium Advocate Association in which they outlined a number of concerns which I don't believe are addressed in Bill 16. They talked a bit about having been part of a group that was formed to review this, and they reached certain conclusions, I guess, if you will, relative to what this bill would contain. If my understanding is correct from the correspondence I've received, there are a number of issues that they don't feel have been embodied in the bill that should have been, and some of those areas are in the areas of things like board meetings and general meetings. They talked about in their correspondence that there are many condominiums where the developer investors are large rental pools, own a large number of condominium units, and at most you were lucky to have a 40 percent turnout at annual meetings. Well, in the nursing community sometimes we were happy if we had 10 percent, so I'd say 40 percent isn't too bad, nonetheless.

Their concern was really about the ability of a small group of shareholders in the condominiums being able to make resolutions – and I believe they're referred to as special resolutions – and what might happen. Certainly those concerns I think have to be taken with some degree of respect and caution by the government. I certainly think that our condominium population is going to grow as more of us release ourselves from the maintenance of a home and the lawns and all of the trappings that come with a fully functional home. So as legislators we have to think about what protections are in fact in place most certainly for the developers and most certainly for the real estate, but also equally important is to consider the interests of owners in the dialogue.

I have a concern that, as usual, we don't know what type of regulatory framework will accompany the bill, what types of things might be done in regulations or what the consultation process might be for the development of those regulations and whether or not the concerns as outlined by the Condominium Advocate Association relative to board meetings, relative to voting rights will be part of those regulations.

I was also sent a copy of a letter from Gordon McIntosh, which I'm assuming most MLAs received. The letter was addressed to the Premier, and it dealt specifically with the Condominium Property

Act. Again, what Mr. McIntosh points out is that in fact when the final copy of the bill came out, he had a number of understandings that there would be certain sections specified, and they have not been. The concerns that he expressed related to the definition of common property, and I listened intently to the hon. Member for St. Albert speak in regards to that. I'm not certain, though, that those protections are contained within the legislation sufficiently.

As well, he raised concerns about section 6. The Condominium Advocate Association was seeking

a statement describing all types of units . . . and the maximum number of units to be built upon the completion . . . [including] a provision which allows for amendments to the initial concept plan upon a special resolution of existing condominium owners . . . [and] a provision that would require a developer to provide some form of security.

He goes on to say:

Our association would like to reiterate that our 29-page report has raised a number of concerns that have not been addressed in any of the Amendment Acts. We are in the process of informing condominium owners, throughout the province, of this legislation and how it will impact them.

I find myself contemplating, just having voted on Bill 11 – we went to great lengths to inform Albertans about the implications of that bill, I would say from both sides of the House. While we didn't agree on the bill and what its intentions were, perhaps it's also a lesson that we should be raising the bar relative to some other types of legislation and truly informing – not to level any disrespect to the organizing bodies or developers or for condominium owners – getting down to the grassroot level and making these types of changes in legislation applicable to those people actually owning the units.

Those conclude my concerns at second reading, Mr. Speaker, and I look forward to further debate on this bill.

Thank you.

THE DEPUTY SPEAKER: The hon. Minister of Government Services to close debate.

MRS. NELSON: Yes. Thank you, Mr. Speaker. Just a few brief comments, in particular, on behalf of the Member for Calgary-Bow, who is sponsoring this bill. She sponsored the bill originally four years ago, and the process to bring together a Condominium Property Act has been very, very long. The hon. Member for Calgary-Buffalo reminded me that it's well over 10 years, the whole process of coming to this point.

When I became the Minister of Government Services responsible for this act not quite a year ago, one of the groups that was first in to see me was the group that was working on this act. I have to admit that at some point it almost seemed like there had been, when I reviewed their files, the Hatfields and the McCoys trying to come to resolution on things that it didn't seem should be that difficult. However, there were some very definite lines drawn in the sand, and people were not really prepared to budge one way or the other.

10:10

This was a group from the builders and from the owners and the stakeholder groups that got together, and the task that I assigned was: look, we've had three years of arguing back and forth; you have so many days and you're going to have to come to a resolution on the last few items. In fact, they did. They rolled up their sleeves, and they worked together and came to a resolution on the outstanding issues for them. They brought forward a recommendation to my office. I said: well, then, that's the recommendation we will put into the amendment to complete what we had started four years ago with

the Condominium Property Act. So the process worked well. As I say, they rolled up their sleeves and parked their differences at the door and looked at how they could best put forward a comprehensive act.

Is it all there? I don't know that it ever will be. I think that as times change, Mr. Speaker, there will have to be further amendments, but up to this point I think that what we had in the amended act from '96 and what we're adding on here deals with the issues.

The gentleman that the hon. Member for Edmonton-Riverview mentioned – we have been in contact with him. In fact, I have sent him three letters requesting that he come in and sit down and deal with the issues he identified in his letter, and that has not occurred as yet. Our door is open, and if he would like to come in and meet with us and go through those issues – I did share that with Edmonton-Mill Woods because he had also been in contact with him, and I actually gave him the letters that I'd sent to him inviting him to come into the office and go through those issues that he had raised in his letter. So if in fact he would like to do that, the offer is still there. He's more than welcome to come in and sit with my staff. My office door is open at any time.

So I think that we have dealt with the major issues that were outstanding between these two groups, Mr. Speaker, and we've come to a resolution that is acceptable to them.

Edmonton-Riverview also mentioned that opposition members weren't involved in this. Well, in fact, they were, because they received correspondence, the same as members on our side. This was a committee of stakeholder groups. There were not people from either side assigned to run this through other than to encourage the groups to come together for a resolution.

So on those few notes, I look forward to Committee of the Whole. Again, on behalf of the Member for Calgary-Bow I move second reading of Bill 16.

[Motion carried; Bill 16 read a second time]

head: Government Bills and Orders

head: Committee of the Whole

[Mr. Tannas in the chair]

THE CHAIRMAN: I'd call the Committee of the Whole to order.

Bill 15

Business Corporations Amendment Act, 2000

THE CHAIRMAN: Are there any further comments, questions, or amendments to be offered with respect to Bill 15? The hon. Minister of Government Services.

MRS. NELSON: Well, thank you very much, Mr. Chairman. On behalf of my colleague the hon. Member for Calgary-North West I would like to introduce an amendment to Bill 15, and this is a result of some of the comments that came out of second reading by members opposite. We appreciate their comments. They were very well founded. I believe that the amendment has been distributed. This amendment is to section 2. It's amended by striking out the proposed section 42(2) and substituting the following: "A corporation may give financial assistance to any person for any purpose." In part B section 3 is struck out.

In section 2 of Bill 15, 42(2) states that

a corporation may give financial assistance to any person for any purpose if it is in the best interest of the corporation to do so.

The inclusion of the phrase "if it is in the best interest of the corporation to do so" has been found to be problematic. Section 117

of the Business Corporations Act already places an onus on the directors and officers of a corporation to discharge their duties "with a view to the best interests of the corporation." This would include transactions made pursuant to section 42 of the act. The restatement of the best-interest requirements of section 42(2) could be interpreted to mean that there is a separate best-interest test from the one in section 117. This was never the intent of this section. To ensure that there's no ambiguity resulting from the revised section 42, an amendment has been proposed that will remove the phrase "if it is in the best interest of the corporation to do so" from Bill 15, section 2, 42(2). The revised section 42(2) is amended and will read: "A corporation may give financial assistance to any person for any purpose."

10:20

The second portion of the House amendment is in section 3. This section changed references in sections 113(3)(d), 113(5), 113(6)(a), and 113(8) from section 42 to 42(2). Section 113 establishes the liability directors and others face if their actions are contrary to specified requirements. Section 3 tied the specified requirements...

MR. DICKSON: Point of order.

THE CHAIRMAN: Calgary-Buffalo.

Point of Order Decorum

MR. DICKSON: I'm trying to listen to the minister, and I simply cannot hear because of the cacophony from the back two rows opposite.

THE CHAIRMAN: I wonder if we could learn to whisper. All of us. All hon. members. There was a group over here and over here and over there. We're not singling you out but together.

The hon. minister.

Debate Continued

MRS. NELSON: Thank you, Mr. Chairman. Section 3 tied the specific requirements of the "in the best interest" phrase to section 42(2) of this bill. With the amendment removing the "in the best interest" phrase, it is no longer necessary to make this change to the act. As a result, section 3 of Bill 15 is being removed.

The House amendment I have presented today will not change the nature of Bill 15. The bill removes impediments for Alberta business by eliminating unworkable solvency tests and replacing them with disclosure requirements. I would also like to emphasize that the removal of the phrase "if it is in the best interest of the corporation to do so" from section 42(2) of the bill does not mean that directors of the corporation can give financial assistance that is not in the best interest of the corporation. Section 117(1) requires directors and officers of a corporation to discharge their duties "honestly and in good faith with a view to the best interests of the corporation." That section now and in the future requires directors and officers to act in the best interests of the corporation. I'd like to move that amendment, Mr. Chairman.

I'd also again like to thank the members opposite for some of their suggestions during second reading, which helped identify this area. I do appreciate their support as we move this amendment.

THE CHAIRMAN: This amendment will be called amendment A1. Is it agreeable to deal with the two parts as one? Okay. Good.

The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you, Mr. Chairman. I want to start by thanking the minister for her acknowledgment. You know, this is an example where the opposition plays a constructive role in terms of lawmaking. I wanted to thank my colleague who has been the critic on this bill and who I think has done a good job in terms of ensuring that the thing works. Ultimately, business corporations are a key unit in the economic development of this province, and it makes sense that their enabling legislation be effective and in fact be able to do the job.

I'd just acknowledge, as I look at the two amendments, that this has been the subject of I think three different discussion papers by the Alberta Law Reform Institute. You know, on the last bill that we looked at a moment ago, Bill 16, the Minister of Government Services was talking about a 10-year process to get the condominium legislation straightened away and four years since the last bill was passed. We've had some excellent reports that have been done by the Alberta Law Reform Institute, and I'm happy to see we're moving on those things to make this legislation more effective.

Now, I've got a couple of other comments that I think probably would go to the bill itself rather than the subamendment. I think I would say that the first amendment clearly does respond to a problem in the initial bill. I make the observation that it shows to me the importance of there being detailed scrutiny in this place of legislation. I know from time to time government members view the debate and the process in here as being pretty tedious, and granted, sometimes it is, but I think the House amendment we see in front of us is also a testament to the fact that some good work can be done here. It's incumbent on MLAs to read these things through and read them through carefully. After we deal with the amendment, I'll have a couple of other more general comments on the rest of the bill.

Thanks very much, Mr. Chairman.

THE CHAIRMAN: The hon. Minister of Government Services on amendment A1.

MRS. NELSON: Thank you, Mr. Chairman. I was negligent in not complimenting the Law Society and the Alberta Law Reform Institute for the work they have done in bringing this recommendation forward. Again, this was a stakeholder group driven process of consultation where they gathered people from within their own organizations but also from outside. They brought in the accounting people and the business people to look at this section and deal with it.

Again, it was a long process. When they came to see me in the early fall with the dilemma on this section 42, it was abundantly clear that all groups – the legal profession, the accounting profession, the financial institution group – had come together and decided that they needed to approach the government to make this change because of the difficulty and the costs of compliance that were attached to this kind of a process. I'll agree that there was a flaw, and I very much appreciated the work that they did with this. I did say that I would approach the Legislature to make that change. So I again would like to thank them for coming forward and giving us an opportunity to make a correction on this.

[Motion on amendment A1 carried]

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

MR. DICKSON: Thanks very much. Now that we've got the House amendment out of the way, I want to make some more general observations about the rest of it. I was going to make the observation in terms of process. I think that our caucus has received some

really useful input from the legal community in the province, from the Alberta Law Reform Institute, and from the chartered accountants of Alberta, the Institute of Chartered Accountants of Alberta being the formal title. I'd like to at least thank Wayne Kauffman, the associate executive director, on behalf of the chartered accountants for the thorough and timely briefing he provided to this MLA and to members of my caucus. It has helped us to prepare for the bill.

I'd like to acknowledge that there have always been problems, it seems to me, around prohibited financial assistance by a corporation. It's one of those things that has challenged all provincial governments in this country. It had to do with the fact that there had been no adequate definition, no generally accepted definition of the realizable value of assets and then questions about what you'd include in with liabilities. Just so we're really clear, the net effect of all this was that you had accountants who were to give opinions on corporations. As anybody who is interested in buying a business knows, the two people you want at your left and right side – you want to make sure you've got a lawyer there, but you also have to have an accountant. To go in without a lawyer and an accountant would be like going into a tennis match without your tennis racket. You know, you need that kind of support.

I think that what was happening was that it was becoming an additional requirement if you were going to sell. Typically businesses are sold in one of two ways. Either you have a sale of assets, or you have a sale of shares. This isn't a problem with the sale of assets, but if you're in fact going to sell shares, then what would happen is that you'd have to have legal counsel. You could be spending thousands of dollars hiring legal counsel just to be able to satisfy the old solvency and assets test under section 42.

10:30

The net effect of all this is that it costs more for businesses in this province to carry on business under the old Business Corporations Act and to enter into transactions with the sale of shares. This should assist that and hopefully will ensure that we don't see those unwarranted additional transaction costs imposed on Alberta businesses.

[Mr. Herard in the chair]

I think the other thing I'd just like to say, which I think is very important, is about the 90-day disclosure. It used to be that you would have a requirement in terms of a year-end report. I've always thought that businesses are rarely bought and sold on sort of a year-end basis. More often a business is sold at either the high or low part of the particular business cycle of that business, so why wouldn't you require this kind of provision that if there's financial assistance given to a director or shareholder in a corporation, there should be that kind of disclosure within 90 days? Once again, it's one of those things. I think it's easy to look back and say: it makes such darn good sense; why are we just doing it now? It isn't fair to lay this necessarily at the feet of government. I think it's just that in the complex commercial world we live in, we always find ways of improving the process, and I think this bill goes some distance to doing that.

The other thing the disclosure requirement does, Mr. Chairman, is make it easier to be able to go to court. Ultimately, what will happen is that it'll be shareholders or in some cases directors having to police abuse by going to court to restrain improper actions by company directors. Now there's at least a facility to be able to do that with the bill that we have here in terms of looking at the specific sections.

The other point I wanted to make: I think I'd just say that it's

timely that we do this now. There's a federal business corporations act, the Canada Business Corporations Act, that's currently under review, Mr. Chairman, at the national level. Ontario has recently introduced quite similar amendments to their Business Corporations Act, and Saskatchewan has already moved on it.

Once again, Mr. Chairman, I always marvel at the fact that a province like Saskatchewan, with such a small population, continues to show leadership in so many different ways. I'm no socialist, and I'm certainly no fan of NDP governments, but I must tell you: there's something about growing up or living in Saskatchewan that really imports a degree of creativity. In this province I see more leadership in so many different areas, and the credit cannot be claimed just because you happen to be born there. I mean, I'm not sure I'd go that far. I certainly wanted to make that observation, that Saskatchewan leads the way yet again.

The other point I'd just make is that we've had some other stakeholders I neglected to mention earlier, Mr. Chairman. That would be the Canadian Bankers Association, that have made a number of representations. I know the minister did, but I wanted to acknowledge it. Sometimes people make separate presentations to the opposition.

I've always found a strange thing on bills like this. When people go to make a presentation to the Calgary MLAs, for example, they're told by the Calgary government caucus: no, no; this is for government members only. Groups often tell me that they find it so strange. If they want to make a presentation, they'd like to talk to all of the people elected to represent an area like the city of Calgary.

In any event, I make that observation that people have made separate presentations to us. That's important because we have 83 MLAs in this House, and it's important that (a) all 83 MLAs be conversant with the issues and (b) hopefully supportive of the needs of industry.

The only other concern I might make is looking at 231(b) in terms of the specific provision. Let me just find it so I've got the exact text in front of me. This would be section 4. We have this provision that talks about who can make an application under this part, and I think it's wise to do it. We've identified the complainant for purposes of going to court to seek some redress. This is on page 4 of the bill. It can be "a registered holder or beneficial owner, or a former registered holder or beneficial owner, of a security," so that's obvious. Secondly, it can be a "director or an officer," past or present, or it can be a "creditor," at least in respect of the two elements identified on page 4, or it can be "any other person who, in the discretion of the Court, is a proper person to make an application."

I want to compliment the minister and her legislative drafter for putting in this last part. I know it's been in before. I've heard some suggestion that it should be narrower than it was in 231, and I'm glad that didn't happen; I'm glad we left that. You have to leave a discretionary power in the court to identify certain other people to be able to make the case. They still have to prove they have status. If they can do that, then they're in, so to speak.

Overall, in the grand scheme of things this certainly is never going to attract the attention of people interested in a bill like Bill 11, but for the commercial activity of this province, for many people this will be as significant a bill. We've had some good effort on both sides, and it's a credit to all MLAs that the bill moves forward to continue to make this a province where people can make a good living and an area that's receptive to the creative men and women who create businesses and buy and sell businesses and provide jobs and pay taxes.

Those are the comments that I wanted to make at this stage. I look forward to a speedy passage of Bill 15. Thank you, Mr. Chairman.

[The clauses of Bill 15 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.

[Mr. Tannas in the chair]

10:40

Bill 17

Fair Trading Amendment Act, 2000

THE CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to this bill?

The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you very much, Mr. Chairman. Just a couple of observations I'd make. I had the chance to speak on this at second reading and indicated, or at least raised, some of the thoughts I had at that point.

In the grand scheme of things this is not the most consequential bill we're going to deal with in this Assembly. I think members recognize that and understand it. There are certainly a couple of observations I wanted to make. If you look at section 3, this is the provision in terms of changing it. Instead of providing for information about actions or prohibiting the collection of information about actions that have been barred by limitation periods, what we've now done is actually provided a six-year cutoff.

It's interesting. The Minister of Justice may appreciate the irony of this. We used to have in our Limitation of Actions Act always a consistent six years for civil debts, and we've moved away from that within the new limitations process and a new limitations statute. What we've done is gone back to that. I suppose it makes it easier because it's a date certain, but I wonder if the hon. Member for Bonnyville-Cold Lake has considered how we deal with laches.

Laches is an equitable remedy that has the effect of operating like a limitation period except that it is not fixed in the limitations act. Nonetheless, it's a form of limitation. I'm just wondering why we don't address those kinds of actions where the law of equity would prevent somebody seeking a remedy. That could've been caught before. Query the old section 45(3)(b), where it says, "must not include the following information about an individual . . . because of the expiration of limitation periods." That may never have been intended to include laches. It may have never been part of the scheme. But as I think about it, equity is a pretty major factor in collections in this whole area.

The other day I claimed relief from forfeiture on some parking tickets. It was a private lot. You know, one of those lots that's not owned by a city. If you park on the lot and you stay longer than your two-hour ticket, they put a ticket on your windshield. What they then do is send you a note saying: that's 40 bucks. Now, that may be double what the city charges for that. I just make the observation that the position I take with those agencies is that they're entitled to fair compensation, but it's got to be related to what their cost is. Their cost, I can assure you, for issuing a notice is not double what the cost is of the city traffic officers. There's the power under the Judicature Act of the province of Alberta that allows relief from forfeiture.

So if these companies can score the extra money, I guess they can get away with it. You have to send in a cheque. I think you have to

tender an amount. You can tender it in full accord and satisfaction, and if they accept it, then they can't take further steps, and if they don't accept it, at least you can argue, then, that you got an equitable remedy and they can't proceed further.

Anyway, we're not here to talk about my multiple parking tickets, but I just wanted to say that there's a reason why I think we may lose some of that with this amendment. You know, I think in the grand scheme of things it may not affect a lot of folks, it may not affect a lot of cases, but it's one of those things that certainly attracted my attention and perhaps the attention of other members. I hope the Member for Bonnyville-Cold Lake would offer some clarification around that in terms of whether laches is going to be caught by this provision.

Now, since I don't see him jumping to his feet yet, I just want to make another observation. One would have hoped that we would have picked up section 4 when we were debating the bill – when was it? Two years ago we dealt with Fair Trading. I think it was proclaimed on September 1, 1999. This is something that maybe we all have to take some responsibility for, that we didn't pick up this provision. The provision, of course, has to do with collection agencies. Never the most popular outfit.

I just make this observation while we're looking at it. One of the things I hear a lot about from constituents, Mr. Chairman, has to do with students who are in difficulty over student loans. This is an issue. One of our colleagues, the Member for Edmonton-Mill Woods, has probably talked to a lot of students who had difficulty with collection agencies as a consequence of student loans. It's one of the concerns we have, and while we're going to open up the Fair Trading Act to deal with certain elements of the bill, it's curious to me that we haven't looked at some of the other problems that my colleague who's responsible for the whole Learning section is continually raising with me, some of those concerns about students being pressed in terms of collection difficulties and collection problems. I'm not sure we see anything in Bill 17 that's going to ameliorate that condition. If the critic for Learning has got any thoughts on that, I know he's going to be anxious to share them with us.

Anyway, those are the observations I wanted to make at this point on Bill 17, the Fair Trading Amendment Act. Thank you very much, Mr. Chairman.

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

DR. NICOL: Thank you, Mr. Chairman. It's a real pleasure to get up this evening and speak to the aspects of Bill 17 in committee. It's interesting to look at how this bill is now being modified, I guess, to more clearly define the relationship between how individuals work under the aspect of the ability to act as a reporting agency and provide information to the public in terms of the credit and personal report components. What we're in effect having now is a less defined method of determining who can be the agency that will in essence be providing for the ability to report by taking out "and" and replacing it with "or." In essence what we're doing is setting up two sets of criteria that will allow for a person or an individual to be designated as a reporting agency in the aspect of this act.

10:50

I guess the question that we have to think about and have to deal with, then, is: how do we go about determining whether or not the agency will still be fully responsible and fully credible with this new separated definition? It seems now that in fact what you've got are some agencies which can operate on their own by definition of their agreement with other agencies to share information. You have another set of agencies now which will be allowed to deal with reporting of credit materials just because they are identified within

the regulations of the act. So, in essence, the one group will be able to operate outside those regulations by just having an agreement.

What we're going to see, then, is the potential for, say, credit card companies or businesses to get together and share credit information on a reciprocal basis in a nonprofit way, and we won't have any mechanism within the regulations to determine or to identify when and where that's happening, because there doesn't seem to be the case for reporting. We need to have that really clarified. That effectively deals with the issues there that we need to look at in terms of clarifying.

The amendment that is being put in place under section 45(3)(b) I think is quite adequate and quite well described here. What it does is provide for almost a period of nonclaim so that after six years they can no longer report the fact that a debt has been put into abeyance or a noncollection way. What we've got, then, is essentially – if both the creditor and the creditee have not taken any action to effectively bring to conclusion a debt that's outstanding after six years, then both of them probably have assumed that that debt is no longer functional, and probably it's best that it actually not be included in the credit reports because it's not being pursued. The person is obviously not being pursued for payments on it, so that's probably a good amendment.

So with those few comments, Mr. Chairman, I think you can count on my support for these amendments. Thank you.

[The clauses of Bill 17 agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Chairman. I would move that the committee rise and report Bill 15 and Bill 17.

[Motion carried]

[The Deputy Speaker in the chair]

MRS. O'NEILL: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: bills 15 and 17. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

THE DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

head: Government Bills and Orders

head: Second Reading

(continued)

Bill 18 Alberta Personal Income Tax Act

Ms Carlson moved that the motion for second reading be amended to read that Bill 18, the Alberta Personal Income Tax Act, be not

now read a second time because the Assembly believes that as a result of the tax reduction measures announced in the 2000 federal budget, the bill would not ensure that all Alberta taxpayers receive a fair tax reduction.

[Adjourned debate May 2: Mr. Herard]

THE DEPUTY SPEAKER: The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you, Mr. Speaker. It's indeed a pleasure to continue speaking to Bill 18. The Leader of the Official Opposition says that her party mostly agrees with Alberta's new tax plan. She says that they agree with raising the basic and spousal . . .

AN HON. MEMBER: No.

MR. HERARD: Well, just wait a minute. She says that they agree with raising the basic and spousal exemptions, and I think that's good. She even agrees with unhooking from their cousins down east, which I think is good. You know, the tax preparation system today is so complex that I'm told that at least 75 percent of all Canadians employ a tax preparer to do their income tax. Now 75 percent of all Canadians have to go to accountants and to tax consultants to prepare their income tax because the system has gotten so far out of hand and is so complicated.

The opposition claims that a single rate makes the tax system regressive and that it puts more pressure on the so-called middle-income group. Well, I don't know, but I think the Member for Edmonton-Glenora should probably consult his own staff, because I understand that one of his staff members over the years has produced a document that's been accepted by most economists as an index of progressivity, and according to that index of progressivity, the new tax system that we are currently proposing is more progressive than the old one. So perhaps the hon. Member for Edmonton-Glenora could talk to his own staff members with respect to that.

They've said things like we're "serving the interests of a select few very wealthy taxpayers." In reality, the biggest tax break in percentage terms is for the 190,000 low-income Albertans who will have their taxes eliminated by the new tax system.

The opposition has also said things like, "I hope that the government will quickly rethink its position on this flat tax and will come to the conclusion that it's not fair [and] that it's an unequal distribution of benefits." As I just said, low-income Albertans will receive the biggest tax breaks, so if the opposition considers this to be unequal distribution of benefits and unfair, then that's really difficult to understand. The government believes in helping those that need it the most, and 190,000 Albertans will now pay no taxes.

And for the opposition to say that Bill 18 "destroys some of the parts of Canadian tax policy which have made this country one of the most desirable places in the world to live" I think is absurd. I highly doubt when most Canadians look at their pay stubs that they're thankful they pay such high taxes.

And the opposition must have their heads on backwards to think that these same taxes make this province "one of the most prosperous places in the world to live and do business." No. It is by lowering taxes, which is part of the Alberta advantage, that we have made this province distinctive.

Again, they say that Bill 18 punishes the middle class and rewards the very wealthy. I'm afraid I can't follow that logic. Everyone is getting a tax cut, including middle-income earners, so where is the pressure on this group? In fact, it is the current system that punishes those who work harder because the more you earn, the more you lose through your taxes.

11:00

If the opposition truly supports a progressive tax system, they should support Bill 18. You see, there are two ways to establish a progressive tax system. One way is to tax high-income earners at a very high level. The other way is to tax low-income earners at a very low level. That is progressive, and that's what we prefer in this province.

We've decided to take the most compassionate approach and not tax the lowest income earners at all. That's right. An additional 190,000 low-income Albertans will not pay any provincial taxes. Half of Alberta income tax payers won't pay Alberta income tax. However, they will still pay federal tax. To be fair, we've also included tax cuts for middle- and high-income earners. We think this is a far better approach than taxing high-income people out of this country.

Here's an example of how progressive our system will still be. A single rate of 10.5 percent would increase basic and spousal exemptions. A two-income, two-child family earning \$40,000 will pay about \$261 in provincial taxes, or .7 percent of their income. The same family at \$100,000 will pay almost 23 times as much in income taxes, or 6 percent of their income. That family at \$250,000 will pay about 83 times as much, or \$21,615, in provincial income taxes, which is more than 8.5 percent of their income. The higher the income, the higher the percentage of income that will go to income tax. So I think that's an example that shows there is progressivity in this system.

Another example. Nearly 200,000 lower income Albertans will not pay a cent of provincial income tax. In fact, some families will be given money through the Alberta family employment tax credit. At the same time, a two-income family with two children earning \$55,000 a year will get a 25 percent tax cut, and if that same family earned \$100,000 a year, they would get a 12 percent tax cut.

Academics have studied the progressivity of a single-rate tax system and a multibracket system. When Dr. Robert Shapiro published his paper *Why Fairness Matters: Progressive Versus Flat Taxes*, he was director of economic studies at the Progressive Foundation and vice-president of the Progress Policy Institute. In fact, the opposition Treasury critic quoted Dr. Shapiro, although the hon. member must have misunderstood the doctor's meaning. Dr. Shapiro outlines three tests of tax reform: increased simplicity, increased economic activity, and increased equity. Alberta's new tax plan accomplishes all three of these.

There are formal ways of measuring what we mean when we say that a tax system is more progressive. Economists use complicated formulas in mathematics, but the matter ultimately comes down to comparing how much income tax low-income earners pay compared to high-income earners. The new Alberta tax system, particularly with its huge personal and spousal deductions, means massive tax cuts for those at the bottom of the income scale. In fact, their tax cut is so much larger than the cut for those at the top of the income scale that Bill 18 actually makes Alberta's tax system more progressive, not less.

In conclusion, Mr. Speaker, Bill 18 introduces a fairer, simpler tax system with a single rate, while maintaining progressivity through the amount of tax paid as a percentage of income.

Thank you.

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

DR. NICOL: Thank you, Mr. Speaker. It's a real pleasure this evening to get up and speak to the amendment to Bill 18. When I spoke at second reading on this bill, I spent time talking about the aspects of flat single-rate taxes and progressive multiple-rate taxes

and how those are related back to the issue of the relationship that exists between taxable income and those kinds of issues. The amendment we have on the floor tonight actually deals with the second component, I guess the public consumption part, of Bill 18 in the sense of the tax cut. What Bill 18 is doing is putting in place two significant changes to Alberta's tax collection process under the process of one act, in the sense that it is moving to a two-tiered tax system: the non tax-paying Albertan and the 10 percent or whatever percent of tax-paying Albertans that will be in the other group. What we end up with, then, is having that as a major structural change in the way we are going to be collecting our taxes.

Now, if we were to make that structural change at the same time that we in effect were going to collect for general revenue the exact same number of tax dollars, then what we would be doing is having this debate tonight on the context of what are the relevant merits of two different structures of our Alberta tax system: the two-tiered or two-rate structure versus what we have now, which is effectively a four-rate structure where we take our income tax off the no-tax payer and the three categories at the federal level. So that would in effect be the debate if that was all we were looking at, moving from an effective four-level tax structure down to a two-level: those that don't pay and those that do.

What we've got is in effect a two-tiered structure, as I said. The debate that is being addressed by this amendment is the overlying impact that occurs now, because within that structural debate we are also going to look at how the distribution of a tax cut will occur for Albertans. So the amendment effectively is saying that we should not deal with Bill 18 at this time because the way it is set up is not appropriate in delivering a reasonably fair distribution of that tax cut that is going to be the result of the structural tax change and the reduction in revenues collected by the tax system in conjunction with the introduction of that tax change.

We listened to the Member for Calgary-Egmont talk about the fact that we now in essence are going to have a much more progressive tax reduction system by implementing this. Yes, when you take some people off the tax roll, their tax goes from paying some tax to zero, which gives them a very large tax reduction, all the way from something to nothing. When you divide and do a percentage on that, you end up with, you know, a very large number, because you're trying to divide by a zero. In fact, we do in that way end up with the people who are going off the tax roll getting a very large structural change. But when we look at the people who are still going to be on the tax roll, start at that level and go through all the groups and all the income brackets that will subsequently be still paying taxes under this new structure, we see that in effect the people at the lower end of the scale of recipients of the tax structure change are not going to be getting the same equivalent tax reduction as the people at the upper end.

11:10

Mr. Speaker, that all goes back to the idea of how you define fairness and how you look at fairness in the context of this debate. When we're trying to change the relative burden of taxes, the fairness component becomes a debate about whether or not the revised structure in itself is fair, rather than whether or not the relative change in actual dollars in an individual's pocket is positive or negative. Everybody wants a tax cut, but if you get a tax cut of \$100 compared to a tax cut that is a much larger amount based on a higher income, is it equally fair in the context of your total income and your total obligation in respect of your commitment to support society?

Mr. Speaker, the issue then becomes one of how we deal with trying to put in place a structural change that does what the Member

for Calgary-Egmont suggested we should be looking at: trying to get a system that is simple, that is in effect equitable. This is where we have to look at the impact of this amendment, its challenge to the fairness of this act, and how we look at the relative responsibilities of each of us as Albertans to participate in a contribution to general revenue. Because as we participate in our economic system at a higher level of income, we also get a significantly larger degree of benefit from our social system, from our social structures, and from the general aspects of society than do people who are participating at the very lowest level of taxable income.

Effectively, the people at the lowest ends of our taxable income are getting their infrastructure, they're getting their health care, and they're getting their education. They don't fully participate in a lot of the other aspects of our society. So as we get higher incomes, we should be willing to allow that higher income to be taxed at a higher percentage rate, not a total tax rate taken in terms of a dollar measure. We should be willing and as a society accept the fact that people with a higher income should be willing to pay a proportionately higher but not a significantly higher percentage of tax.

Mr. Speaker, I am probably the first one in the group to admit that the brackets and the tax rates we've had in the past need to be reviewed and need to be altered. That, I think, every Albertan can recognize and most would support. But the idea of moving every individual in the province who is paying taxes, all the way from the person at the very bottom end of the income scale who just exceeds in income the basic exemption calculations up to the top executive/investor, all of the rest that are going to have an income – I don't even have a clue what might be a reasonable range for the top level of income for Albertans.

Mr. Speaker, I think all Albertans would recognize that as our income increases, we have, if nothing else, a social obligation to be willing to pay a higher percentage of our income in support of our social system and our social structure and society at large. So that's the issue that is being addressed when we start to look at how we have to define whether or not this bill provides us with fairness in the context of the changes in our tax structure. I guess what we want to do, then, is look at it from the perspective of how the changes we're talking about effectively represent economic activity, as the Member for Calgary-Egmont talked about, how it reflects the equity of the tax system and also how it in essence talks about the ease with which we can deal with taxes. As I said earlier in my previous debate, this system as outlined by Bill 18 is much simpler, much more responsive to our provincial wishes, and less likely to be taken off track, if you want to say that, by activities at the federal level.

So the decoupling part from the tax on tax again, I say, is a good move. The tax on income is the right way for us to go at this provincial level, and that in essence gives us both the simplicity of actual administration and the simplicity for Albertans to understand where we as a province are asking them to contribute the base income that we're asking them to contribute off of.

From that perspective, I think Bill 18 does effectively meet the criteria of simplifying our system, but it doesn't meet the criteria of adequately reflecting economic activity. As I said in my earlier debate, we have significant measures or quantities of income that are earned by persons at the upper income levels which are not reported on the base income taxable level in the federal forms. Until we in essence start to measure income as total income of an Albertan, then we have to make sure that the component of economic activity and the reflection of economic activity, the ability of an income to earn a reward for their efforts has been put in place. We have to do it by using a differential rate of taxation unless we're going to go and modify and complicate the reporting of incomes required by the federal government and develop our own new system of effectively measuring income.

I don't think we should justify or we can justify at a provincial level the complexity that would be required in our tax system, the administrative overhead that would be required for our tax system. So why don't we just leave it with the income measured by the federal government and recognize the fact that as we get to the higher income levels, we in essence want to use a higher percentage rate on measured income so that those persons are effectively contributing back to society in a measure that reflects their total income, not their measured income on the tax form?

That's why we should have a progressive step up for the groups at the higher level of income. In effect, a two-tiered system in taxation is not adequate when we have those that don't pay tax as one tier and everybody else being treated exactly equal. The people at the upper end of that scale effectively get more benefits from society, and they also get to have incomes that are not reported in the context of measurement at the federal level.

We should reflect on that. We should make sure society says: those persons should also contribute in a fair way.

So back to the amendment, Mr. Speaker, in the sense that when we want to look at that, we have to decide whether or not that structural change that we're putting in place through Bill 18 is appropriate, but we're also now saying that that structural change is going to be compounded in terms of the overall tax rebates.

As we go through that structural change, obviously if we're not going to tax on a percentage basis individuals at the upper income levels to the same extent or even to a modified extent or an extent above what we do at the lower levels, they are in essence going to get a much more significant tax reduction than will the individuals at the lower level of the current tax system. All the data that's been provided by the Provincial Treasurer originally and now the Acting Provincial Treasurer does show that. It does show that the benefits of the tax cut component within Bill 18 accrue mostly to the individuals who are at the upper levels of income.

11:20

Mr. Speaker, when we look at the concept of relative taxation in our province and relative taxation compared to other jurisdictions, Alberta has the advantage already of having one of the most advantageous tax systems in our economic sphere. That's Canada, North America, where our citizens can search out employment. The majority of the discrepancy in the tax for an Albertan versus an American or versus somewhere else in Canada – when it comes to the inside Canada comparison we, in essence, already have the most advantageous taxation system.

When we start to compare ourselves with the Americans, it's not our provincial taxation that creates the disadvantage and the disincentive for Albertans to stay here, Mr. Speaker. It's the federal taxation. Those numbers need to be revised. Those percentages that are used in calculating tax at the federal level need to be looked at, but we don't necessarily need to remove the total progressivity of it.

Mr. Speaker, it was quite interesting that when I was living in the U.S., the flat tax rate and the single tax rate was a debate down there, and all of a sudden it disappeared. I watched with fascination this week on TV as I saw Mr. Putin being sworn in as the new Premier of the Soviet Union. His only economic platform is to convert Russia into a single tax rate society. He wants to reintroduce the equality of everybody in terms of their obligations to society that was existent under the communist state. You know, he's going back to everybody being equal.

That creates no incentive to help society. That creates no incentive to recognize that as we make more money, we have a social obligation. We should have a willingness to support our society by contributing a smaller percentage increase in our income

than the persons who are struggling at the lower levels of our tax structure. We already recognize that within a social system there are persons who have to have some benefit, and we allow them an exemption from taxation altogether.

So on those bases, Mr. Speaker, I hope we see a lot of people in this Legislature recognizing that we have to look at a further revision to the structure component that we're dealing with in Bill 18 so that when we do have a tax system that is functional in Alberta, that tax system will be fair, it will be equitable, and as we transfer from the current system to that new system, there's a degree of equity in the benefits received in terms of the tax reductions that are coming back to us as Albertans.

I hope, Mr. Speaker, everybody agrees with that and will support this amendment. Thank you very much.

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

MR. RENNER: Thank you, Mr. Speaker. I feel compelled to enter into this debate. I intend to be brief, but I want to discuss this whole issue of a progressive tax system.

The Member from Lethbridge-East has spent some time talking about the lack of progressivity under this proposal for a single rate of taxation. I have to point out that this is a single rate of taxation in theory only. If there was no personal exemption, then it would be true that every taxpayer in Alberta would pay an identical amount of percentage of income for tax, and then it would not be a progressive system.

But what people overlook – and I've had many discussions with a number of my constituents over this issue – is the very significant increase in personal exemptions that go along with the implementation of this system. So I need to point out and all members need to understand that the 11 percent referred to in the bill now, to be amended, as indicated by the Provincial Treasurer, to 10 and a half percent when we get to committee stage on this bill, is not a single rate of taxation. It is, in fact, a maximum rate of taxation. Realistically, unless someone earns an infinite amount of income, no one will pay 10 and a half percent. Everyone will pay some percentage less than that, because everyone gets to deduct the personal exemption off their income before it starts.

Let me give some specific examples. We'll deal with a two-income family with different scenarios of income. If a two-income family with two children has total earnings in that family of \$40,000, under the new plan they will pay about \$261 in provincial income taxes, or .7 percent of their income. So the total tax on that \$40,000 is .7 percent of their income. If the same family, same exemptions, same everything had total earnings of \$100,000, they would pay 23 times as much income tax, or 6 percent of their income. If that same family earned \$250,000, they would pay about 83 times as much tax, or \$21,615 in provincial income taxes, which is a little more than eight and a half percent of total income.

So, Mr. Speaker, what I'm saying is that this is very much a progressive form of taxation. The more an individual or a family unit earns, the more they pay in taxes, and the maximum tax they will pay is 10 and a half percent. But in order to pay that 10 and a half percent, they would have to earn an astronomically high income. I haven't taken the time to figure it out, but it would be well in excess of a million dollars before they would be paying the 10 and a half percent or anything significantly less than that.

So let's not be fooled into thinking that this is a tax system whereby we have some taxpayers that pay nothing and all the rest of the taxpayers paying exactly the same amount. It's not that simple. In fact, if a taxpayer earns a thousand dollars more than their personal exemptions, they only pay tax on that last thousand dollars.

They don't pay any tax in the case of a two-person family where we've got approximately \$26,000 in exemptions. If two people in a family earn \$27,000, they don't pay 10 and a half percent on \$27,000, because they're over that threshold. They only pay 10 and a half percent on \$1,000.

So it is very much a progressive system. It is a system whereby because of the very significant increase in personal exemptions, the effective tax rate goes from zero to 10 and a half and everything in between. It is a single tax rate only from the point of view of determining the maximum tax rate. Everyone who earns less than an infinite amount of income pays somewhat less than 10 and half percent, and it decreases to the point where they pay zero.

Thank you very much, Mr. Speaker.

MRS. SLOAN: I regret to begin my debate on Bill 18 where I left off on Bill 11, but it would seem to me that some of the delusional tendencies that I saw in the debate in 11 have now carried over into 18. Most likely there will be need for further education within the government's own caucus relative to how this tax rate is going to apply.

In essence, what we're in the uncomfortable position of doing tonight is again having to amend a bill that is, in my opinion, an unsalvageable bill. The premise of Bill 18, to propose a flat tax, is in essence an experiment, another experiment which this government is resolved to press upon Albertans. They have absolutely no evidence, no indication, no proof that this is going to provide a stable tax environment and revenue environment for the province.

11:30

I spoke in second reading about the substantive cautions that the Auditor General made relative to the ministry and business plans. Just to refresh our memory, a section which I did not include is in section 3 of his report where he talks generally about his reservations. This is in the last fiscal year.

Section 19 of the Auditor General Act requires the Auditor General to provide details in his report of reservations of opinion in reports issued on financial statements.

As described in detail in Section 2, on page 265, I reserved my opinion on all 1999 Ministry and department financial statements because of significant departures from generally accepted accounting principles.

Further, my 1999 auditor's reports for the following contained reservations of opinions for the reasons described:

Excluded direct costs.

Put another way, what in fact did these ministries do? They did not enter on the ledger costs that had been incurred by the ministries.

- Fifteen Funds, Foundations and Provincial agencies including Alberta Social Housing Corporation, Alberta Alcohol and Drug Abuse Commission and Alberta Dairy Control Board
- Persons with Developmental Disabilities Provincial Board
- Six Persons with Developmental Disabilities boards
- Excluded direct costs and accuracy of contract costs
- Calgary Rocky View Child and Family Services Authority
- Excluded direct costs, inventories, revenue and capital assets
- Michener Centre Facility Board
- Expensing of capital assets
- Environmental Protection and Enhancement Fund

Valuation of donated artwork,

which, granted, may not be as significant as some of the others identified.

Inappropriate disclosure of related party transactions

- Medicine Hat College . . .

Revenue that could not be audited for completeness

- Northland School Division . . .
- Lethbridge Community College Foundation . . .
- University of Alberta 1991 Foundation

The relevance of that, Mr. Speaker, is that in our last fiscal year

we have this government, in essence, underestimating the cost of doing business in this province and then believing that members of this Assembly would support a proposal for a flat tax possibly reducing revenue to run programs. It seems to me they're fabricating the argument.

They're trying to create the picture that it doesn't cost as much to do business in this province anymore by not entering costs in the ledger, which the Auditor General has pointed out as an error and has made reservations about. On the other hand, on the revenue side they are saying: this is the flat tax structure that we propose, and it will be sufficient to fund the programs that are required by this province.

The further reality, Mr. Speaker, is that I don't believe this government really has done any type of assessment about what the needs of our future citizen population will be, what those needs will be relative to social programs, what they will need with respect to environmental concerns and addressment, what needs will be required to keep abreast with technology advancements. If in fact the government hasn't done an assessment about what the province might need in 10 or 20 years with a population that is much, much older than they are now, how do they propose to change our tax structure and bind us to that tax structure, thereby tying the hands of a future government in terms of its revenue side?

I think a lot about this. This is my assessment, not being a tax expert and by no means being an expert in provincial economies. This is really, Mr. Speaker, a lot about political upstaging. It's about Alberta wanting to be seen on the national stage as the front-runner in the race to go down the road, implement a tax structure – albeit perhaps we are in the best position to take the risk, because we have always been one of the wealthiest provinces and we've always had a significant cushion of resources because of oil and gas revenues. But that may not always be the case. Really, when it's just about maybe old boy competition, does it make good sense in the interests of citizens to impose a tax structure that really hasn't been proven to work anywhere else, hasn't been linked to a needs assessment of what types of provincial concerns and issues there will be in the future in this province and what revenue will be required to meet them?

What if we were to find ourselves someday, Mr. Speaker, actually needing the federal government? Now, I've always felt that we do need them, but I think there are many members on the government side of the House that don't really believe we need the federal government, that believe they can go about their business. They've got sufficient money, sufficient power to run the show. But what if someday we were in a position where we didn't find ourselves quite as comfortable as we find ourselves today on our revenue side and we actually needed to rely on some of the federal government tax revenue, like Newfoundland does, like New Brunswick does, like the Maritime provinces do?

Those provinces have done some amazing things with provincial revenues substantially less than our province's. Nonetheless, they are fundamentally committed to maintaining a healthy federal relationship because that reliance is there. I have seen far more goodwill come out of the eastern provinces towards building a stronger health care system and building stronger social programs than I have seen come out of this province in my term of office. That's regrettable, because we are in a position to be leaders in a whole variety of policy and program areas, but we choose – and maybe, Mr. Speaker, it is really a gender thing. I've heard the analysis offered before that men seem to have a preoccupation with money and it's the women that look after all the other trivial issues. But this really is just about money. It's not giving consideration to anything else.

Let's start with homelessness. We have had a government that has waxed on for at least the last 18 months about the critical nature of homelessness in this province. We have tremendous agencies out there that every day are taking people in: some people who are working and some people who are destitute. We've got good agencies in Calgary who have gone out on a limb and committed to expand their facilities. The Salvation Army is one, as is the drop-in centre. They're committing themselves to millions of dollars. I think between the two it's \$22 million and \$15 million combined, so you're looking at \$37 million. Not a cent of provincial money is yet committed on that, Mr. Speaker. Not a cent.

Similarly, we see the provincial developmental disabilities boards. I've mentioned those arising out of the Auditor General's report, where the government had not accurately reflected the costs. Here we have an area where we've had the junior minister of health go about the province and conduct a review. We have seen a report released from that associate minister, and we've seen a number of recommendations, all of which require resources: human resources and accompanying fiscal resources. Now, where is the government proposing to find those resources? To date we haven't seen any committed, despite the fact that the minister has gone about and held meetings subsequent to his report release. There's no action plan. There's no implementation plan. There are no funding commitments.

11:40

Similarly, Mr. Speaker, we had a children's summit last fall. At the time, I lauded the government for creating a report that contained many of the issues that people in the social services and child welfare areas had talked about needing to have addressed for some time. We will soon be within about three months of having another one. We still have not seen an action plan in that area. We still have not seen a commitment of resources. You know, I've had people in my office and I've had people in the field talk about the restraint in child welfare, in day care, and in SFI. We separate families. We take their children into temporary guardianship or permanent guardianship, fundamentally risking the family relationship and unit, Mr. Speaker. I hear directors out there talking about the fact that they don't have the resources to allow these families to have weekly visits. That causes me grave concern. Why is that? Because we have seen a consistent underfunding of these social program areas for consecutive fiscal years.

Also on the horizon we have a critical shortage of health care professionals that is estimated to continue to grow. We have no provincial action plan to deal with that issue. In fact, the government has . . . [Mr. Day entered the Chamber] Thank you very much for coming in to listen to my speech on Bill 18, Mr. Provincial Treasurer.

MR. SAPERS: Former.

MRS. SLOAN: The former Provincial Treasurer. Whatever the hon. member's ambitions might be, Mr. Speaker, there's relevance in being present in the Assembly for the debate on this bill, and there most certainly was relevance in being in the Assembly earlier this evening in the debate and vote on Bill 11.

Where I was at was on the discussion of how we have a huge public policy issue in the shortage of health care professionals and that we have an aging population and no plan to do anything about that. In fact, we compounded the shortage by the cuts that were made in the '93 to '96 period. Again, how could I in good conscience, as a member of the health care professions, stand and support a tax structure that is going to basically implement an

experimental framework for revenue? I don't find myself in a position of being able to do that.

So there are, as I said, a whole raft of concerns about Bill 18. It is rooted more in politics and upstaging than in good common sense. Again, we see the opposition to this bill and the awareness of this bill rising within our citizens, and no doubt we will see, perhaps not to the same degree as with Bill 11, a substantive amount of feedback on this bill in the weeks to come. I certainly hope though, Mr. Speaker, that we have the good common sense in this Assembly to not place ourselves in a compromised position relative to tax revenues. I don't feel overly confident of that, because I certainly think we placed ourselves in a compromised position in the approval of a private health care tier in our province earlier this evening.

With those remarks, Mr. Speaker, and speaking in support of the amendment but in firm opposition to the bill before us, I will take my seat. Thank you.

MR. DAY: Just a few comments, Mr. Speaker. It's been exciting as I've been able to consult with Canadians from coast to coast and talk to them about a single rate of tax. The excitement is at a very high level that a government is finally recognizing that people, when they want to work harder or become more skilled and more educated, should not be punished at a higher rate because they want to move along and generate more revenue for themselves and for their families. So a single rate of tax is something that is really being looked at, in terms of Alberta, in a very positive way.

I can tell you the importance of Alberta proceeding with this. I know there's some reflection as to the federal position with the budget. As I understand it, the amendment has already been tabled related to moving – has it been tabled? [interjections] There's been a filing and an indication already that the government will be indeed moving from 11 percent to 10.5 percent. Mr. Speaker, that is the ongoing commitment, that this particular plan will continue to benefit Albertans.

From the way this is catching on across the country and the way, as I understand, that the Canadian Alliance is also proposing a single rate of tax at the federal level of 17 percent, this is absolutely in line and in unison and resonating with what is going to be happening. Of course, not too many months from now the greatly anticipated change, not just of the tax situation federally but in fact of the federal government, shows that Alberta is once again in the prime position to be dovetailing a single rate of tax here with the new federal Canadian Alliance government, which will also be bringing in a single rate of tax.

The economic effect of that on not just Alberta but in fact the entire nation is going to be profound. It's going to be very exciting, Mr. Speaker. It has just been such a delight to be right across this country, in every province, every other Canadian seeing Alberta as being a leader, and seeing Canada then moving to this incredibly sensitive jurisdictional approach to a single rate of tax for all of the citizens of Canada, the citizens of Alberta leading the way and the citizens of Canada joining in.

It's going to be an exciting time, and I'm extremely in support of this particular endeavour, Mr. Speaker.

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

MR. DICKSON: Thank you so much, Mr. Speaker. I'm actually quite delighted to have had the opportunity to follow the Member for Red Deer-North. In fact, a couple of observations as I get to my primary concern with the amendment we're dealing with.

The first one. I had occasion recently to go to Mount Royal College. My wife and I had a chance to see the *Music Man*, that was

put on by a musical group. The thing I remember most was Robert Preston coming into a new town, and he's going to sell something he's very excited about. When I listen to the Member for Red Deer-North, you can almost hear the people in the musical saying: talk a lot, talk a lot, talk a lot. You almost want to sort of join in the chorus because you really feel like we've got Robert Preston right here in the Assembly.

AN HON. MEMBER: I can't hear you sing.

MR. DICKSON: I can't sing.

The point I was going to make, Mr. Speaker, is that despite all the salesmanship of the Member for Red Deer-North – and he certainly demonstrated his ability as a salesperson – Albertans are not going

to be naive enough. They are not going to be duped by a bill that's passed off as a terrific kind of tax reform just because you lop some people off at the bottom end and just because we make a couple of changes. We've somehow sort of passed off tax cuts as part of this package.

Now, there is so much more I want to say, but I'm thinking that in view of the hour, Mr. Speaker, what I might do at this point is simply move to adjourn debate on Bill 18 and come back and pick this up perhaps tomorrow.

[Motion to adjourn debate carried]

[At 11:50 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

