

Legislative Assembly of Alberta

Title: **Thursday, May 24, 2001**

1:30 p.m.

Date: 01/05/24

[The Speaker in the chair]

head: **Prayers**

THE SPEAKER: Good afternoon.

Let us pray. O Lord, grant us a daily awareness of the precious gift of life which You have given us. As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country. Amen.

Please be seated.

head: **Introduction of Visitors**

THE SPEAKER: The hon. Minister of Justice and Attorney General.

MR. HANCOCK: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you today to the Members of the Legislative Assembly a very important and dedicated group of people who have done good service for the province of Alberta: the Unified Family Court Task Force. First I should mention that they are accompanied today by the Chief Judge of the Provincial Court of Alberta, Judge Ernie Walter. In addition to the members in this Chamber, the hon. Member for Calgary-Lougheed, who chaired the task force, and the members for Leduc and Calgary-Montrose, the additional task force members who made such a wonderful contribution are the Hon. Justice Marguerite Trussler of the Court of Queen's Bench of Alberta; the hon. Assistant Chief Judge of the Provincial Court, family and youth division, Jan Franklin; Michael Benson of the Native Counseling Services of Alberta; and Rhonda Ruston, a family law lawyer and a bencher of the Law Society of Alberta from Lethbridge. They are joined by Geoff Ho from the Department of Justice, who was the secretary and resource person to the committee.

All members of the task force have now been suitably acknowledged by the Legislative Assembly, and I'd just like to publicly and on the record say thank you for the incredible work that they have done for us.

THE SPEAKER: The hon. Member for Wetaskiwin-Camrose.

MR. JOHNSON: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to the members of the Assembly His Excellency Ingvard Havnen, the ambassador of the kingdom of Norway. He is accompanied by Mrs. Elisabeth Havnen and Mr. Roar Tunglund, the honorary consul of the kingdom of Norway here in Edmonton, and his wife, Mrs. Marilyn Tunglund. I'd ask that they rise, please, and be recognized by the Assembly.

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

MRS. O'NEILL: Thank you. It's my honour today to introduce to you and through you to members of this Assembly the Member of Parliament for the constituency of St. Albert, Mr. John Williams. He is accompanied today by Mr. Syed Yusuf Hossain, the controller and Auditor General of Bangladesh; Mr. Syed Sajedul Karim, the controller general of defence in Bangladesh; and Mr. M.A. Sabur, the first councillor of commercial in Ottawa. They are seated in your gallery, Mr. Speaker, and I'd ask them to please remain standing and receive the warm welcome of this Assembly.

head: **Tabling Returns and Reports**

THE SPEAKER: The hon. Minister of Justice and Attorney General.

MR. HANCOCK: Thank you, Mr. Speaker. Earlier this afternoon I introduced the members of the Unified Family Court Task Force. Back in March of last year we struck a task force to recommend how access to the courts could be improved for those having family law problems. The task force has come back with 17 recommendations to improve our justice system for family law litigants, including the establishment of a unified family court in Alberta. I'd like to table the requisite copies of that report for the benefit of the House.

THE SPEAKER: The hon. Member for Little Bow.

MR. McFARLAND: Thank you, Mr. Speaker. I have the requisite number of copies that I'd like to table with you from Palliser regional schools regarding the Bill 16 provisions.

THE SPEAKER: The hon. Member for West Yellowhead.

MR. STRANG: Thank you, Mr. Speaker. At this time I'd like to table the appropriate number of copies from the Grande Yellowhead regional division No. 35 on Bill 16.

Thank you.

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

MS CARLSON: Thank you, Mr. Speaker. I have two tablings today. The first is five copies of a letter from Gordon McIntosh, a resident of Edmonton-Ellerslie. He is concerned about violence in the community and would like all levels of government to work together to find a solution to this problem.

The second tabling is five copies of a letter from the University of Alberta Student Liberal Association. This group is concerned about the lack of a properly functioning parliamentary democracy in Alberta. They offer several suggestions about how this situation could be remedied.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Speaker. I have three tablings today. The first one is a memorandum from the Alberta environmental protection department dated July 24, 1995, concerning security bonds in place at Hub Oil.

The second one is a city of Calgary memorandum from December 7, 1993, also discussing the same issue.

The third tabling today is a letter from Hub Oil Company Ltd. dated February 6, 1996, to Alberta environmental protection, and in here is a discussion on the decommissioning costs of \$500,000, that it's an excessive fee.

Thank you.

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

MS BLAKEMAN: Thank you very much, Mr. Speaker. I'm tabling the appropriate number of copies of a letter from the Family Ties Association in Lethbridge, Alberta. They are expressing concern about the recent announcement by the Sun Country child and family services board proposing that 8 to 10 percent of funding will need to be cut from the business plan submitted to Children's Services.

Thank you very much.

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

MR. BONNER: Thank you very much, Mr. Speaker. I have two tablings today. The first tabling is from the Alberta Society for Pension Reform. This would be a membership form for all retired members of the Alberta teachers' retirement fund, the public service pension plan, and the local authorities pension plan.

My second tabling is also from the Alberta Society for Pension Reform. This is a cost analysis of how much pensions for these three sectors are going to be reduced for the lifetime of the pensions due to changes in the Pension Fund Act.

Thank you.

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

DR. PANNU: Thank you, Mr. Speaker. I'm tabling five copies of a letter I received from Mr. Keith Brown of High River several weeks ago. Mr. Brown is urging the government not to grant permission to log, run a sour gas pipeline, or allow for oil development in the Bighorn wildland park north and south of the David Thompson highway.

Thank you, Mr. Speaker.

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

MR. MASON: Thank you, Mr. Speaker. I have one tabling today, and it is a copy of information from the Alberta Wilderness Association pertaining to the Meridian dam proposal.

head: **Introduction of Guests**

THE SPEAKER: The hon. Member for Red Deer-North.

MRS. JABLONSKI: Thank you, Mr. Speaker. It's a great pleasure and an honour for me today to introduce to you and through you to the members of this Assembly 43 very bright and pleasant French immersion students from the great high school of Lindsay Thurber in Red Deer. They are accompanied by their two teachers, M. Carl Malenfant and M. Ron Alleyne. They are seated in the members' gallery, and I would ask that they rise and receive the traditional warm greetings of the Assembly.

THE SPEAKER: The hon. Member for Calgary-North Hill.

MR. MAGNUS: Thank you, Mr. Speaker. It is indeed a great pleasure for me to be able to stand in my place today and introduce to you and through you to the members of this Legislature a friend of many in this Legislature, in fact a former colleague who served from the 18th to the 21st Legislatures. He's currently chairman and president of Webber Academy, and of course I'd be speaking about Dr. Neil Webber. He is accompanied by approximately 20 students, who frankly looked very, very smart when we were doing the pictures because they were all in class uniforms today, also extremely well behaved. He's accompanied also by Miss Janice Chan, a teacher, and parent helpers Mrs. Barbara Marshall and Mr. Ed Smid. I would ask that they rise in the public gallery and that we accord them the warm welcome we accord our visitors.

1:40

THE SPEAKER: The hon. Member for Airdrie-Rocky View.

MS HALEY: Thank you very much, Mr. Speaker. It's a real pleasure for me to be able to introduce to you and through you to the

Assembly a really good friend of mine, Mr. Bob Anderson. Bob served as a councillor for the MD of Rocky View for a number of years. He is currently on our General Insurance Council, but more importantly than that, he's also a member of my Progressive Conservative Association board and helped us to achieve a 79.98 percent victory plurality. Please rise and receive the warm welcome of the Assembly.

MR. LUKASZUK: Mr. Speaker, you must be thinking that my timing is impeccable. As fires are raging in your constituency, I am pleased to rise and introduce some 40 junior forest wardens who are visiting our building today. These fine people have planted over 80,000 trees to commemorate the 80th anniversary of the Alberta Research Council. They are today accompanied by Mr. Bob Young, the provincial co-ordinator, and Mr. Ernst Klaszus, chief warden. I would ask them to rise and receive the traditional welcome of this Assembly.

THE SPEAKER: The hon. Member for Wetaskiwin-Camrose.

MR. JOHNSON: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the members of the Assembly 32 bright students from the Wetaskiwin composite high school who are visiting the Legislature today. They are accompanied by three adults: Miss Alva Holliday, Mr. Doug Tarney, and Miss Paula Marshall. They are seated in the public gallery, and I'd like to ask them to rise at this time and receive the traditional warm welcome of the Assembly.

THE SPEAKER: The hon. Minister of Learning.

DR. OBERG: Thank you very much, Mr. Speaker. It gives me great pleasure to rise today and introduce someone who I feel is a true Alberta success story. After finding herself on her own, she scrimped and saved and went back to school, and within a month she will be graduating as an RN. I'd like to introduce to you and to the rest of the Assembly Ms Sharla White. I believe she's in the public gallery. Would you please rise and receive the warm welcome of this Assembly.

head: **Oral Question Period**

THE SPEAKER: First Official Opposition main question. The hon. Member for Edmonton-Ellerslie.

Hazardous Waste Inspections

MS CARLSON: Mr. Speaker, Alberta Environment recently conducted spot inspections of 27 metal-plating companies in Edmonton and found that over half violated environmental regulations. These spot inspections were only conducted after one company was found to have been leaking cancer-causing agents for over six years. My questions are to the Minister of Environment. Why did it take his department over six years to respond to an Edmonton company leaking chromium into the ground and storm sewers?

THE SPEAKER: The hon. minister.

DR. TAYLOR: Yes. I'm very pleased to talk about this program, Mr. Speaker. We started last fall with a program of education as to how the plating industry right across this province should handle some of the chemicals that they use in their industry, and it was a very well-received program. It's our philosophy that we should

provide educational opportunities first to let people know what they should be doing and then go on and enforce the laws as stated.

MS CARLSON: Can the minister explain why information on the proper storing of hazardous waste, or his education program, by metal-plating companies was sent out only after the company had been found to be leaking chromium for over six years?

DR. TAYLOR: Well, Mr. Speaker, once we find the problem, we know there is a problem. We realize that this is a big industry in Alberta, and we felt we needed to educate the whole industry, not just deal with one particular company, and that's what we did.

MS CARLSON: Then, Mr. Speaker, can the minister explain why a problem has to occur first before the department will conduct spot inspections on the storage of waste? We have many problems in this province.

DR. TAYLOR: Well, Mr. Speaker, that's not true. We conduct spot inspections all the time. We do spot inspections on water treatment facilities. We do spot inspections on all sorts of industries across this province.

I would like to point out that she said in her preamble that about 50 percent of the industries were found to be in violation, but most of these, Mr. Speaker, were minor violations that were readily and easily correctable. There was one major case that we have dealt with and will continue to deal with.

THE SPEAKER: Second Official Opposition main question. The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Speaker. To the Minister of Environment: can the minister tell us whether any spot inspections are being conducted on metal-plating companies outside of Edmonton at this time?

DR. TAYLOR: Yes, Mr. Speaker. We have conducted spot inspections all the way to Fort McMurray.

MS CARLSON: Will the minister tell us if the department is conducting unannounced spot inspections of waste storage at industrial sites in Alberta as a matter of policy now?

DR. TAYLOR: We will continue to conduct spot inspections in all sorts of industries in this province.

THE SPEAKER: The hon. member.

MS CARLSON: Thank you. But that wasn't my question. My question is: will Alberta Environment continue these inspections beyond this current round of inspections and conduct them as a matter of policy?

DR. TAYLOR: Yes.

THE SPEAKER: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Hub Oil Company Ltd.

MR. MacDONALD: Thank you, Mr. Speaker. In a government of Alberta news release on August 8, 2000, the government announced that it was charging Hub Oil under the Occupational Health and

Safety Act for the 1999 explosion that killed two men and injured five others. That news release noted: "The matter remains under investigation by Alberta Human Resources and Employment, Alberta Environment and Calgary Police Service." My questions this afternoon are to the Premier. Have additional charges been laid or will additional charges be laid under the Environmental Protection and Enhancement Act and/or the Criminal Code?

Thank you.

MR. KLEIN: Mr. Speaker, I can honestly say that I really don't know, and perhaps either the hon. Minister of Environment or the hon. Solicitor General can shed some light on the two questions that were asked.

DR. TAYLOR: Well, I can comment, Mr. Speaker, on part of that question. I can read exactly the charge that was laid.

On or about August 9, 1999, in the City of Calgary, in the Province of Alberta, [Hub Oil] being an employer, did unlawfully fail to ensure that all equipment used on a work site, to wit: the Number 2 Distillation Unit, Number 2 Heater, heat exchangers and all associated piping, pumps and vessels, were maintained in a condition that would not compromise the health or safety of workers using the equipment, contrary to section . . .

And it goes into a lot of information on the sections. I will ask the Minister of Justice to respond on any further charges.

THE SPEAKER: No. We're going to move on here. If there are charges laid, this is public information.

The hon. member.

MR. MacDONALD: Thank you, Mr. Speaker. Again to the Minister of Environment: is the minister stating that in the almost two years since the explosion nothing else has come from the other investigations?

Thank you.

DR. TAYLOR: Well, Mr. Speaker, a lot has come from investigations. This particular case is in the courts, and I can't comment further. Perhaps the Minister of Justice would like to comment.

THE SPEAKER: He can't either.

The hon. member.

MR. MacDONALD: Thank you, Mr. Speaker. My third question, then, is to the Minister of Justice. Why did Alberta Justice in August 2000 support only one charge being laid under the Occupational Health and Safety Act? No other charges, just the one.

MR. HANCOCK: Well, Mr. Speaker, I can't directly answer that because the question of what charges are laid and what charges are proceeded with is in the discretion of the prosecutors who have access to the investigating file and the evidence that they know they can put before the court. What I can tell the House is that prosecutions as they go forward have to meet a test, which is essentially the test in all cases, which is: do we have sufficient evidence which, if proved, would result in a conviction?

THE SPEAKER: The hon. leader of the third party.

Teachers' Salaries

DR. PANNU: Thank you, Mr. Speaker. This government continues to show its ignorance and neglect of Alberta teachers' concerns. It has played cruel games with thousands of teachers by raising

expectations and then suddenly crushing them on the budget day with a 6 percent salary increase over two years. My questions are to the Premier. Given the deep disappointment that has been expressed by teachers, will the Premier reconsider his government's decision to impose this unfair policy of wage controls on Alberta teachers?

1:50

MR. KLEIN: Mr. Speaker, this government has treated teachers with neither ignorance nor neglect. As I've said in this Legislature, we value our teachers and we respect our teachers, to the extent that a line item was put in the budget guaranteeing the teachers of this province at least a 6 percent wage increase. That is, to say the least, a very unusual but very generous gesture relative to the compensation of teachers in this province.

THE SPEAKER: The hon. member.

DR. PANNU: Thank you, Mr. Speaker. Perhaps the Premier will benefit from a reality check. Let me make a challenge to him. If I make all the arrangements necessary, will the Premier commit to joining me in spending one whole day with a classroom teacher to get a firsthand look at how hard public school teachers work in this province?

MR. KLEIN: Mr. Speaker, first of all, I think it's the hon. leader of the third party who needs a reality check. The reality of the situation is that the teachers of this province are guaranteed at least a 6 percent wage increase. I can think of no other segment of the public sector that has been given that kind of guarantee.

Relative to spending a day in the classroom, Mr. Speaker, I would venture to guess that every member of this caucus, perhaps the Liberal caucus, and what remains of the ND caucus has spent time in the classrooms. It's part of our duty, our responsibility, to visit schools from time to time. I know that I've had the opportunity on a number of occasions to attend schools and speak to classes, and I'm sure that all my colleagues have had the same opportunity. You know, I can't recall visiting a school where I met a mad teacher or where the students weren't being given quality education and where there wasn't enthusiasm for the school and pride in the school. So we've all been there.

Now, I can't speak for the hon. leader of the third party, whether he's been there, but I'm sure that every member of this caucus has been in a classroom to enjoy the students and to appreciate the quality of education they are being given.

THE SPEAKER: The hon. leader.

DR. PANNU: Thank you, Mr. Speaker. Given that the Premier has turned my challenge down, I wonder: what does the Premier have to fear from spending one whole day with a schoolteacher?

MR. KLEIN: Mr. Speaker, I have just said that virtually every member of this caucus spends some time in the classroom, and I spend most of my day with many teachers. I think there are maybe 12 or 13 teachers in our own caucus, so I have the opportunity of spending a lot of time and quality time with a number of quality teachers. They are still teachers. They'll always be teachers. I look at the hon. Minister of Community Development. I look at the hon. Minister of International and Intergovernmental Relations. I look at the hon. Minister of Environment. You know, I myself taught in the vocational system. I look at the hon. minister of aboriginal affairs. I look at the hon. Member for Clover Bar-Fort Saskatchewan. I mean, it goes on and on and on.

Electricity Rates

MR. McFARLAND: Through you to the Minister of Energy I have a question, Mr. Speaker. Until September 2000 a rural power customer in Little Bow and other parts of southern Alberta would receive a power bill every two months from TransAlta. If there was a question or a problem, they simply picked up the phone and called TransAlta. Today, after at least two name changes on the billing letterhead, some of these same constituents are confused and upset with the quality, the accuracy, and sometimes the abruptness of utility company staff in responding to their inquiries. To the Minister of Energy: why should the utility company staff tell irrigation customers in my area and other parts of the province that they don't qualify for the 3.6 cent per kilowatt-hour rebate under the regulated rate option?

MR. SMITH: Mr. Speaker, let me say at the outset of a very good question that as the new competitive market model came into place, TransAlta sold its customers to Utilicorp, which then sold the customers from Utilicorp to EPCOR. In fact, these three companies did not do a good job of customer relations, and I think they have to look closely at the marketing equation, the fundamental business equation, where the customer comes first.

Mr. Speaker, the balancing pool allocation regulation does set out the amounts of payments to both residential and nonresidential customers for the year 2001. All residential customers are eligible for a payment of \$40 a month in 2001, and nonresidential customers receive 3.6 cents per kilowatt-hour. Farmers, in fact, receive both of the credits. The residential versus nonresidential criteria are set out in the regulation and available on the Energy web site.

THE SPEAKER: The hon. member.

MR. McFARLAND: Thank you, Mr. Speaker. The second question to the same minister: why should utility company staff tell some of my constituents that, quote, power prices aren't going to fall below 11 cents per kilowatt, so get used to it, end of quote?

MR. SMITH: Mr. Speaker, that is a good question. In fact, the rate has been set at 11 cents for 2001. There is an opportunity for customers of the regulated rate option provider to approach the Energy and Utilities Board, because there is a process of review under way, and argue that the soft price cap is either too high or too low.

It is difficult, Mr. Speaker, to provide accurate forecasts of market prices. However, the weighted average for the month of May to date is 9.4 cents and the 30-day rolling average is 10.7 cents per kilowatt-hour. So in fact maybe we could just stop for a minute at the customer level, take that extra time as a customer relations representative and be able to put the accurate information in front of the customer and not use the age-old phrase: I don't know, but I think it's the government's fault.

THE SPEAKER: The hon. member.

MR. McFARLAND: Thank you, Mr. Speaker. The final question on behalf of my constituents is: how many cents per kilowatt markup are these utility companies making on the initial 11-cent energy charge?

MR. SMITH: This is under analysis and is only completed under the regulated rate option with the approval of the regulator, who determines if costs are reasonable and prudent. There are 22

retailers interested in doing business. We need to see the retail market increase in size. We also need to I think take a further and closer look at the other charges, not only directly in the cost of electricity but the rate classification, load profiles, administration costs, all that ancillary basket of charges that in fact might be conceivably loaded onto the charges at the consumer level.

Mr. Speaker, as you get into the early sides of a new competitive market model, both from the department level and from a regulator level, we're looking at the issue very, very closely.

THE SPEAKER: The hon. Member for Edmonton-Glengarry, followed by the hon. Member for Bonnyville-Cold Lake.

2:00 **Underground Tank Remediation**

MR. BONNER: Thank you, Mr. Speaker. My first question today is to the Minister of Environment. Is it the policy of this government that polluters should pay to clean up their own mess?

DR. TAYLOR: Yes, Mr. Speaker. It is the policy of this government or of this department that polluters do pay in Alberta.

THE SPEAKER: The hon. member.

MR. BONNER: Thank you, Mr. Speaker. My second question is to the Minister of Municipal Affairs. Given that the government supports a concept of polluters paying, why is your department subsidizing the cleanup of industrial contamination through the underground tank program?

THE SPEAKER: The hon. minister.

MR. BOUTILIER: Thank you, Mr. Speaker. The underground petroleum tank program, the remediation work that's going on, is an \$80 million fund, and I can assure this House and all Albertans that there are no free rides in this province for anyone. To supplement what the previous minister had commented, we are committed to remediation to make Alberta and continue to have Alberta as the best environmental community and province in this country.

THE SPEAKER: The hon. member.

MR. BONNER: Thank you, Mr. Speaker. To the same minister: is the \$70 million for underground petroleum tank remediation only for oil companies and businesses to clean up their property, or will Albertans who are living on contaminated land have access to this money also?

THE SPEAKER: The hon. minister.

MR. BOUTILIER: Thank you, Mr. Speaker. The priority of this government has been dealing with a variety of remediation actions. One of them, first and foremost, is on orphaned sites that have remained unattended, and I am pleased to say to this House that the province is dealing with those orphaned sites in a very productive manner. The stakeholders we're working with are very pleased with the environmental remediation that we're taking action on as we speak.

THE SPEAKER: The hon. Member for Bonnyville-Cold Lake, followed by the hon. Member for Edmonton-Centre.

Drought Assistance

MR. DUCHARME: Thank you, Mr. Speaker. The Bonnyville-Cold

Lake constituency has experienced very dry climatic conditions for several years. Water dugouts that store water for cattle are dry or nearly dry, and local streams, rivers, and lake water levels continue to recede. Farmers are presently replenishing the water in their dugouts if they are close enough to these local rivers and lakes. My question is to the Minister of Environment. In the Cold Lake water basin I am aware that there are industrial use moratoriums for drawing water from lakes and rivers. Mr. Minister, are there similar moratoriums for agricultural use of water?

DR. TAYLOR: No. At the present time, Mr. Speaker, there are no moratoriums for agricultural use in the Cold Lake basin, which includes not just Cold Lake but a number of lakes in that basin. We also have that lake and that whole basin managed on a long-term plan. It's called the Cold Lake/Beaver River long-term water management plan, and it is managed on that long-term plan. This plan does set limits, however – we must know that it does set limits – at which once lakes fall below a certain limit, then water withdrawals will not be allowed.

This is a very serious situation. We had a serious situation in Okotoks just today, Mr. Speaker, and yesterday about water in the Sheep River being at a level so that really Okotoks is in short supply of water. Now it's back up and flowing today, but with these dry conditions in the province – it's three years in 130 years, I'm told, that these conditions have occurred – we are going to face serious situations around this province for water supply this year.

THE SPEAKER: The hon. member.

MR. DUCHARME: Thank you, Mr. Speaker. My final question is for the minister of agriculture. If farmers are having difficulties filling their dugouts by pumping from local sources because of reasons such as distance, are there any plans in place to help farmers with a water hauling program?

MRS. McCLELLAN: Mr. Speaker, we have offered water hauling programs in the past. It is one of the options that certainly we are looking at. When it appeared this spring that there could be a drought condition in this province, the Premier made a commitment, as did in fact this government caucus, to monitor the situation and to respond appropriately. Certainly what we have been doing, with the help of my colleagues in the House, is talking with farmers and ranchers from across this province, trying to get the intelligence from them as to what program we might put in place that would be the most helpful to them. Up to this point we have provided the \$3 an acre on pasture, which can be used certainly for that. We have provided \$10.29 an acre on cultivated land, which producers are free to use in any manner they see fit.

We're going to continue to talk with them and try to put something forward that would alleviate the problem in the majority of the areas of this province. But I have to say, Mr. Speaker, that we have not ever seen, at least not in many, many years, dry conditions that cover as much of this province as we do today.

THE SPEAKER: The hon. Member for Edmonton-Centre, followed by the hon. Member for Calgary-East.

Gaming Expansion

MS BLAKEMAN: Thank you, Mr. Speaker. The Ministry of Gaming claims that while they review their regulations and policies, a freeze is in effect in gambling expansion. Yet while this freeze is in place, talks are being held regarding the proposed development of

a new casino in Sherwood Park. My questions are to the Minister of Gaming. Has the department given the Sherwood Park casino developers some sort of indication that gambling facilities will be expanding in this province after the review is complete?

THE SPEAKER: The hon. minister.

MR. STEVENS: Thank you, Mr. Speaker. In December of 1999 the previous minister put a freeze on gaming expansion in the province, and since that point in time there has been a gaming policy review undertaken. It's anticipated that that review will be completed this summer and government will be making its policy known in that regard.

As it relates to the Sherwood Park matter, it's my understanding that there is a group that has been working in Sherwood Park with the municipality there, dealing with regular municipal matters. There has been no contact with the Ministry of Gaming relative to that particular site. We are not taking applications, and no offers or indications have been given to that group or any group with respect to expansion in the province at some future time.

THE SPEAKER: The hon. member.

MS BLAKEMAN: Thank you. Can the minister tell us how many applications his department has received which are currently on hold for either new gambling facilities or for the expansion of existing ones?

THE SPEAKER: The hon. minister.

MR. STEVENS: Thank you, Mr. Speaker. As I indicated in the previous answer, there has been a moratorium with respect to expansion since December of 1999. Accordingly, the ministry and the AGLC are not receiving applications.

THE SPEAKER: The hon. member.

MS BLAKEMAN: Thank you. When the freeze is lifted, will the minister commit that any increase in the number or size of gambling facilities in the province will be met with a corresponding increase in funding for gambling addictions?

MR. STEVENS: I think it's fair to say that a gambling addiction is one of those things that this government takes very seriously. In fact, the AADAC budget is funded entirely through the Alberta lottery fund, and some \$3.7 million for this fiscal year is being put into gambling addiction problems specifically. We continue to see that as a very serious issue, and this particular minister is committed to ensuring that the appropriate funding goes to gambling addiction matters.

Thank you.

THE SPEAKER: The hon. Member for Calgary-East, followed by the hon. Member for Edmonton-Riverview.

Emergency Hospital Services

MR. AMERY: Thank you, Mr. Speaker. Many Albertans who have had experience with our hospital emergency rooms feel that service is slow and waiting times are long and frustrating, and many of them end up leaving without seeing a doctor. My first question is to the hon. Minister of Health and Wellness. Could the minister advise the House and Albertans as to what plans are in place to shorten waiting lists in our hospital emergency rooms?

THE SPEAKER: The hon. minister.

MR. MAR: Thank you, Mr. Speaker. I should say that I recognize that waiting in an emergency room can be a frustrating experience. But I have raised this subject with regional health authorities, and I believe sincerely that they're working hard, that they're putting plans in place to improve services in emergency rooms and reduce waiting times.

As an example, one of the things that regional health authorities are doing is improving their emergency triage systems and the protocols to ensure that those individuals who are most in need of attention on an urgent basis get that attention first. They're also implementing mental health triage and assessment tools so that those individuals who have mental health problems receive the care that they need.

Here in this city, Mr. Speaker, the 24-hour phone advice line known as Capital Health Link has provided an excellent service, in my opinion, that allows individuals who have difficulty to be able to contact a registered nurse 24 hours a day and avoid unnecessary emergency room visits.

Also, Mr. Speaker, on the capital side a number of emergency rooms throughout the province are being upgraded and expanded to meet not only the current but also future needs.

Mr. Speaker, these are just a few of the initiatives that are under way to address waiting times in emergency rooms across the province. We will of course continue to work with regional health authorities in this regard to improve the service further.

2:10

THE SPEAKER: The hon. member.

MR. AMERY: Thank you, Mr. Speaker. Again to the same minister. Since many people visiting emergency rooms do not really require hospital care, would the minister support the opening of more 24-hour clinics in order to alleviate pressure on our hospital emergency rooms?

MR. MAR: Well, Mr. Speaker, this may in fact be a very good suggestion to be applied in some cases. Certainly trying to deal with the issue of the use of emergency rooms for non-urgent needs is a challenge that we're always trying to address throughout the system.

Regional health authorities are taking different and various approaches to address the needs of people who need assistance when their regular health care provider is not available. Of course, individual physicians themselves set the hours of service that their clinics will provide. They've been encouraged by regional health authorities, however, Mr. Speaker, through recruitment and retention efforts to establish new office practices.

Also, under the primary health care project we're looking at different ways to deliver frontline care across the province. This project is in my opinion very, very important because it is aimed at making sure that patients receive frontline care from the most appropriate health care professional at the most appropriate facility, and often, Mr. Speaker, that may not be a doctor and it may not be at a hospital but at some other facility provided by some other health care professional.

THE SPEAKER: The hon. member.

MR. AMERY: Thank you, Mr. Speaker. Again to the same minister: could the minister advise the House and Albertans whether or not the RHAs have the flexibility in their budgets to start these 24-hour clinics?

MR. MAR: Well, categorically, Mr. Speaker, the answer to that question would be yes. Regional health authorities do have the ability to use their global budgets however they deem appropriate to best meet the needs of the residents in the regions that they serve.

However, having the budget available to open such clinics as suggested by the hon. member may be only one of the required inputs. One of the other inputs, of course, would be the ability to staff such clinics. That could still be a barrier in the short term to operating the types of 24-hour clinics suggested by the hon. member, but we will continue through the primary health care project and through other venues and means to work with regional health authorities to find other ways of delivering an effective service for Albertans.

THE SPEAKER: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Edmonton-Highlands.

Electricity Prices

DR. TAFT: Thank you, Mr. Speaker. Two weeks ago I asked the Minister of Economic Development about a report by the Canadian Manufacturers & Exporters showing that higher electricity costs under deregulation would cost Alberta's manufacturing sector 31,000 jobs. The minister wasn't aware of the report, so I did provide a copy to his office. My question again to the Minister of Economic Development: what is his department's response to the report?

MR. NORRIS: Mr. Speaker, I thank the hon. member for the question, and I'd like to point out again, as I did then, that electricity is but one of the many factors that go into production costs. In Alberta we are working on supply, and it's going extremely well. With the net migration that he's referring to, in the last two years there have been over a hundred thousand new jobs created in Alberta, so our department is working and continuing to work on that.

THE SPEAKER: The hon. member.

DR. TAFT: Thank you, Mr. Speaker. Given that the power price today is now running at \$185 a megawatt-hour, I'd like to repeat a question that the minister took under advisement two weeks ago. Can the minister name any jurisdiction in Canada where the delivered cost of electricity to small manufacturers is higher than Alberta?

MR. NORRIS: Well, as a matter of fact, Mr. Speaker, I can. I don't generally like to put down other jurisdictions. In Alberta we tend to respect other people, and we don't like to criticize them for our own benefit, but there are numerous maritime jurisdictions that are charging far higher prices than us.

THE SPEAKER: The hon. minister.

MR. SMITH: Thank you very much, Mr. Speaker. I know the hon. member will want to tell us which other jurisdictions have a lower business tax.

I do want to say that CIBC, the Canadian Imperial Bank of Commerce, has said that an important reason for the confidence that emerged among generation investors in Alberta is the province's practice of protecting residential and small commercial customers without distorting prices and inhibiting development of an efficient market. The member did accurately quote the price at noon today,

but he probably was taking notes of the answer to another MLA's question today that talked about the average moving down some 30 percent from January 1, 2001.

DR. TAFT: Mr. Speaker, given that the power rates in Alberta are averaging two and a half times the most expensive prices in Saskatchewan, for example, and given that the demand for electricity in Alberta in the 1970s grew at double the rate it did in the 1990s without significant price increases, can the minister explain why electricity deregulation has gone wrong?

MR. NORRIS: You know, Mr. Speaker, numbers are so deceiving. I recall the former leader of the Liberal Party just prior to the election referring to the number 43. I think she said that that was the number of seats they were going to end up with. I'd like the members to pass on to her that it's actually 4 plus 3.

The actual answer to the hon. member's question is once again that there are so many factors why people come to Alberta, not the least of which is that it's the best place to live. Saskatchewan people are migrating at a net migration far higher than they're leaving. So I'll leave it to the hon. member to figure out why.

THE SPEAKER: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Edmonton-Rutherford.

Meridian Dam

MR. MASON: Thank you, Mr. Speaker. The Minister of Environment is also responsible for approving new dam projects in Alberta. He has recently resurrected the discredited and environmentally unsound Meridian dam project, which is of direct benefit to his own constituency. In 1996 the minister, then an MLA, told the *Edmonton Journal*, "If you have to flood a portion of an ecological reserve to get the water, flood it, I say." My question is to the minister. Why should taxpayers have to shell out \$100,000 for a feasibility study into a project the minister already supports?

DR. TAYLOR: Well, Mr. Speaker, we have to differentiate between a minister and an MLA. Perhaps in 1995 or 1996, which was my first term as a legislator in this province, I maybe said some things that I wish I hadn't said. I look along this front row and there are probably some other ministers . . . [interjections] Speak for myself, they say.

Mr. Speaker, this project has been on the books for more than 20 years. That's a fact. Nobody has ever done a feasibility study. When I say a feasibility study, I'm not just talking about a cost-benefit analysis and the benefits not only to Alberta, not only to my constituency but to other constituencies in this province. Saskatchewan would benefit as well. We've never done a feasibility study that looks at the effects on the environment, quite frankly, and that's what we need to know. That's what this study is about: if this dam were constructed at some future date – I want to make it very clear that nobody's saying that we're going to construct the dam – what would the effects be on the environment? That's the question we're asking.

THE SPEAKER: The hon. member.

MR. MASON: Thank you very much. My first supplemental question, Mr. Speaker, is to the Premier. Is the Minister of Environment flying on his own, or does he have full cabinet support for his decision to spend 100,000 tax dollars on a so-called prefeasibility study on the Meridian dam?

MR. KLEIN: Mr. Speaker, ministers of the Crown are given a certain degree of latitude to conduct various studies that are associated with their portfolio. I assume that that's what the minister is doing.

Now, when it comes time to develop policy, then the minister will bring his report first of all to agenda and priorities. That report will probably then go to the standing policy committee that would deal with that particular area of policy. It would come back to cabinet, it would go to caucus, and eventually government would make a decision as to whether we would support a project.

Mr. Speaker, before any work is done on any project, you have to make a determination as to whether we should proceed. What are the pros? What are the cons? That is the normal process. Certainly every minister of the Crown has the latitude to initiate something, but the final decision of course rests with the government.

2:20

THE SPEAKER: The hon. member.

MR. MASON: Thank you, Mr. Speaker. To the Premier: will the Premier admit that this is just a pork-barrel project for the minister's constituency and cancel the \$100,000 for the so-called feasibility study and save the taxpayers' money?

MR. KLEIN: Mr. Speaker, that is an insult, an absolute insult to even suggest that this is a pork-barrel study. This is a very serious study that speaks to the fundamental and crucial issue in this province of water management. If this member doesn't think that water management is a crucial issue, then I would suggest that he has no social values whatsoever. You have to examine these issues. You have to examine these issues because water is our most precious resource in this province, and we have to make sure that we use it wisely and for the benefit of all Albertans.

DR. TAYLOR: Thank you, Mr. Speaker. We must look at water, as the Premier has said, in terms of the overall context of water management for the whole province. We need to have short-term goals, mid-term goals, and long-term goals. This is only one example. We will be doing more feasibility studies across this province on water management issues.

I would remind the member opposite that his socialist colleagues in the province next door have contributed one-quarter of the funding for this study.

THE SPEAKER: The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Edmonton-Mill Woods.

Education Property Taxes

MR. McCLELLAND: Thank you, Mr. Speaker. My question is to the Minister of Municipal Affairs. I understand that because the province reduced the education property tax levy, most Alberta homeowners will see a reduction in their municipal taxes. However, the reduction varies from municipality to municipality. My question: if the reduction is in the provincial tax levy, why is the tax reduction not the same in all Alberta municipalities?

THE SPEAKER: The hon. minister.

MR. BOUTILIER: Thank you, Mr. Speaker. Two indicators on this that the hon. member mentioned are growth – and you know, there is lots of growth happening at a variety of levels across Alberta that we call the Alberta advantage. What I am pleased, though, to say to the hon. member across the way is that growth and also the issue of

the type of fair market assessment are the principles that we use. I'm pleased to report to the hon. member and to his constituents in the city of Edmonton that this year the majority, over 95 percent of them, will be receiving a 14 percent reduction in their property education tax.

MR. McCLELLAND: My first supplementary, Mr. Speaker, is to the same minister. Should municipalities in the future expect the tax rebate to be the same across the province?

MR. BOUTILIER: Mr. Speaker, because of those two indicators, such as the growth and the kind of fair market value that's taking place that we call the Alberta advantage, it's difficult, but what we want to be able to do is ensure a principle of fairness and equity for all municipalities across Alberta. We're attempting to do that. We're working on that, and we're going to continue to commit to the principles of fairness so that all municipalities, in dealing with this issue, are dealt with fairly.

THE SPEAKER: The hon. member.

MR. McCLELLAND: Thank you, Mr. Speaker. My final supplementary is to the same minister. Will the education property tax requirement remain frozen at \$1.2 billion per year in future years, even though student enrollment will probably increase as our province continues to grow, and if so, how will education funding keep pace with need?

MR. BOUTILIER: Mr. Speaker, a very good question. I'm proud to say that education funding continues to grow even though the education property taxes are dropping. I also want to say that the challenges are to balance the interests of municipalities, the associations, taxpayers while continuing to sustain a first-rate educational system.

What I will do is ask the Minister of Learning to supplement because he can speak of the additional funding with this growth that the hon. member has mentioned.

DR. OBERG: Well, thank you very much, Mr. Minister. First of all, what I would like to say is that despite the fact that the educational property tax is being frozen, there continues to be an increase in the amount of dollars that go to education. This year alone, for example, there was \$343 million more. The rest of the money has come from the general revenue fund, and this government has made it a promise that even though the taxation goes down with regards to the education property tax, this will have no influence on the amount of dollars that are spent in the Learning department.

THE SPEAKER: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Whitecourt-Ste. Anne.

Teachers' Salaries (continued)

DR. MASSEY: Thank you, Mr. Speaker. On budget day the government provided information which purported to show that Alberta teachers will be the highest paid in Canada. The information has been used as the basis of an aggressive media campaign and appears to be without foundation. My question is to the Minister of Learning. Will the minister share his source of those figures?

DR. OBERG: Absolutely, Mr. Speaker. I have a table here, that I would be more than happy to table with the Legislative Assembly,

that basically explains the varying averages around the province. Where I believe the hon. member is headed is the notion that there are four school boards in Ontario that have higher wages. Yes, these are school boards in metro Toronto. But we felt it was a much fairer comparison if we took a weighted average of all teachers' salaries across our province and a weighted average across the other provinces. I don't feel that it would be fair, for example, to use the salary in, say, Fort McMurray versus the salary in Podunk Corners, Ontario. I believe that that just isn't a valid comparison. What we have done is provided apples and apples and oranges and oranges across Canada.

THE SPEAKER: The hon. member.

DR. MASSEY: Thank you, Mr. Speaker. Given that Alberta ranks fifth for the salary category in which the largest share of teachers are employed, hasn't the minister done exactly what he accuses the teachers of doing, cherry-picked categories?

DR. OBERG: Absolutely not, Mr. Speaker. Category 4, which is the majority of the teachers around this province: already, before the 6 percent, we are number one in the minimum salary, or level 1 on the salary grid. At level 11 of category 4, we are also the highest. Giving the 6 percent will allow us to be roughly \$6,000 more than number two in the same category. So there is no doubt that we are number one in the most predominant category, which is category 4.

THE SPEAKER: The hon. member.

DR. MASSEY: Thank you, Mr. Speaker. Will the minister again table that information? Because my information is that we are third in category 4.

DR. OBERG: Well, Mr. Speaker, what I will do is I will read off the information that I was going to table. The rank of the minimum with category 4 at four years of education in Alberta with the 6 percent increase will be \$37,389. The next highest is \$35,182, which is British Columbia. In level 11 of the salary grid under category 4 the maximum will be \$62,879, with number two being \$56,543, a difference of a little over \$6,000. Here is the evidence. I'd be more than happy to share it with the hon. member.

THE SPEAKER: The hon. minister, I understand, has tabled that document. Copies have been made for all members.

The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for St. Albert.

Highway 43 Twinning

MR. VANDERBURG: Thank you, Mr. Speaker. My question is to the Minister of Transportation. With the government's commitment to twin highway 43 within the next few years, concerns are coming to me about the progress in Whitecourt-St. Anne. Presently in my area the only activity on highway 43 is resurfacing the already twinned portion near Onoway and the construction of a bridge over the McLeod River in Whitecourt. Will there be further progress on the twinning between Gunn and Cottonwood in Whitecourt-St. Anne this year?

2:30

THE SPEAKER: The hon. minister.

MR. STELMACH: Thank you, Mr. Speaker. I'm pleased to say that there will be continued progress on the north/south trade corridor.

There'll be a 14-kilometre stretch of highway going to tender soon with a completion date of June or July of next year but possibility even the end of this construction season, that will take us west of Glenevis to west of Gunn, and a further 11-kilometre stretch at Blue Ridge corner scheduled for work this year.

MR. VANDERBURG: My first supplementary again to the same minister. At Rochfort Bridge CN's overpass, which is presently one of the longest wooden structures in North America, will present a challenge. How will your department deal with another lane through this magnificent and historic structure?

MR. STELMACH: Mr. Speaker, discussions are progressing very well with CN, and CN has offered in those discussions to replace a section of the bridge to accommodate the twinning of the highway. The new construction is scheduled to begin this fall unless weather conditions change it otherwise, but we will see progress on that bridge this fall.

MR. VANDERBURG: My second supplementary question is to the Premier. Mr. Premier, we talked a bit during your visit to Whitecourt a couple of months ago about the highway, but most of your time was spent in the classroom and in the school of St. Mary's. My question to the Premier is: I've had so many students, principals . . .

THE SPEAKER: Okay, hon. member. We don't have preambles. The hon. Member for St. Albert.

Relocation of Burial Sites

MRS. O'NEILL: Thank you, Mr. Speaker. The discovery of human remains at the EPCOR Rosedale site a few days ago raises some additional concerns regarding the treatment of discoveries of this nature. My question is to the Minister of Community Development. When human remains are found in the province, what process is followed by the Department of Community Development to ensure that they are treated with respect and dignity?

THE SPEAKER: The hon. minister.

MR. ZWOZDESKY: Thank you, Mr. Speaker. I'm sure we would all agree that this is indeed a very sensitive matter, and we're all concerned that dignity be preserved in circumstances like this. I know in the case of the Rosedale EPCOR situation that EPCOR also has a policy which kind of parallels ours and that is for an excavation to stop immediately when human remains are discovered; secondly, to immediately notify the police; and thirdly, to call in a medical examiner so that all of those legal aspects are addressed.

From the Community Development point of view what we also do is engage in a process to connect with individuals and/or groups that might be known to be associated with the particular area or the particular group – maybe it's a religious or a spiritual group – so that proper, sensitive treatment can ensue thereafter.

THE SPEAKER: The hon. member.

MRS. O'NEILL: Thank you, Mr. Speaker. To the same minister: what precedents exist for how Alberta Community Development handles these types of situations and have done prior to this?

MR. ZWOZDESKY: I think, Mr. Speaker, one of the more recent case precedents, if you like, surrounds the St. Joseph's industrial

school site in the Calgary area, indeed the burial site of several children in particular from that school who were there at the turn of the century and then passed away due to disease reasons or poor health care reasons or whatever. What happened in that case was that the local nations were contacted by Community Development and others. An agreement was arrived at to prevent any further erosion of the burial site, and they were properly and very nicely relocated to another centre under the strict supervision of the people in charge. That ceremony in fact just occurred, I believe on May 5.

THE SPEAKER: The hon. member?

head: **Members' Statements**

Unified Family Court Task Force

MS GRAHAM: Mr. Speaker, it has been my privilege to chair the Unified Family Court Task Force, whose report was tabled in the Legislature today. We have recommended the expeditious establishment of a unified family court in Alberta which would exercise jurisdiction over all family law matters and would provide essential support services to people involved in family law disputes.

Mr. Speaker, I sponsored a resolution in 1999, which received the unanimous support of this Assembly, that government examine the establishment of a unified family court. Based on the extensive consultations conducted by this task force, I am now more convinced than ever that there is a need for a unified family court in Alberta.

Although the courts and court staff have done their best within the constraints of the existing system to meet the needs of family law litigants, there are very clearly sufficient deficiencies and gaps in the present system. People have told us that the existing system is too adversarial; one spouse is pitted against the other to the detriment of families. Mediation and other services are available to a limited extent, but much more needs to be done to help families resolve their legal issues with the minimum of damage, particularly to the children.

People have also told us that the existence of two levels of court for family law results in gaps and injustice. If one spouse starts proceedings in the Provincial Court, the other spouse can create delays by beginning a separate action in Court of Queen's Bench. The Provincial Court with its less formal procedures can deal with family breakdown where the parties are not married, but if the parties are married, the divorce must be handled by the Court of Queen's Bench. Further, Mr. Speaker, where the parties are unmarried, an order for child support cannot be obtained in the Provincial Court if the paternity of the child is in dispute. This is because only Queen's Bench can issue a declaration as to paternity.

None of this serves the public, Mr. Speaker. The people of Alberta deserve better. Our task force has proposed a single family court, and that would alleviate many of the problems. The unified family court is an idea whose time has come.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

Independence of Judiciary

MR. MacDONALD: Thank you, Mr. Speaker. I rise today to speak about the fundamental separation of the legislative, executive, and judicial branches of government in our parliamentary system. It is well established that in our system neither the legislative nor the executive branches may interfere with the work of the judicial branch.

Prior to the Act of Settlement of 1701 the King often beheaded judges if they ruled against him. A lengthy and acrimonious

struggle occurred between the King and the Parliament over the issue of the judiciary, resulting in the passage of the Act of Settlement. With this act the principles that judges are independent, that judges can only be removed on a vote from Parliament, and that judges' salaries are determined by Parliament were established. These principles are ones that we still hold sacred today.

I would urge all members of this Assembly as well as certain members of the federal House of Commons to respect the independence of the judiciary. It would be unfair for us as parliamentarians or as members of the ministry to criticize the judiciary as being unaccountable, because this is simply not the case. First, judges must excuse themselves from actions where they are involved with one or both of the parties. Second, litigants may appeal unfavourable decisions to higher courts, and lastly, almost all court cases, except under narrowly defined circumstances, are heard in full public view. In fact, the Canadian judiciary is held in such high international regard that many developing countries are modeling their justice systems after ours.

Just as Parliament struggled with the Crown to achieve its independence, so too do the judiciary. Thus it is only fair that we respect the separation of the different branches of government.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for West Yellowhead.

Hinton Government Centre

MR. STRANG: Thank you, Mr. Speaker. Today I'd like to speak on partnership. It's a pleasure to rise and speak of the opening of the Hinton government centre on May 15. It was an honour to be there at this opening as a representative of this government and this Assembly. In many ways the centre represents one of the most important goals of the government of Alberta. By providing a progressive, environmentally friendly, and energy-efficient approach, this building mirrors the ambitions of our government for the province of Alberta.

2:40

Mr. Speaker, the Hinton government centre was built in response to the burning down of the old town hall a few years ago. It was decided to construct a facility that would be functional and environmentally friendly. Made of energy-efficient material, this building would use less than half of a like-sized building that uses conventional material. This visionary facility also presented the partnership between the town and the people of Hinton and the government to provide the staff for the Department of Children's Services, AADAC, Sustainable Resource Development, Health and Wellness an ideal place to conduct their business on behalf of the people of this region. The government centre in Hinton is a fine example of what can be achieved when government works together.

Mr. Speaker, I believe this facility will be an important addition to the community of Hinton for years to come. Thank you very much.

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

Bird Habitat

MS CARLSON: Thank you, Mr. Speaker. Birds in Alberta are at risk as a result of environmental degradation in the province's foothills and boreal forest natural regions. Birds are valuable for many reasons. They are key components of numerous ecosystems and play a vital and economically important role in the control of insects.

Because birds bioaccumulate toxic chemicals present in our environment, they act as bioindicators for the detection of pollutants. In addition, expansions or reductions in the numbers and ranges of certain species over time faithfully reflect the impacts of human-induced landscape scale ecological changes.

All birds are the canaries in our environmental coal mine. They are early warning lights of impending ecological problems, yet we continually threaten Alberta bird life with habitat fragmentation and habitat destruction.

Alberta bird species whose conservation needs are cause for particular concern include habitat specialists such as old-growth dependent species, forest interior and area-specific species that need large, intact areas of forest in which to breed, and breeding species that are especially vulnerable to human-caused disturbances.

Of the 386 species of birds reliably recorded in Alberta, 183 are Neotropical migrants. These birds link us ecologically to the tropics, and we bear an international responsibility for their conservation.

What can the provincial government do? They can support a genuine endangered species act and endangered habitat wilderness act. No net loss of old-growth forests and minimizing habitat fragmentation and deforestation of the Neotropical migrants' wintering grounds would be an excellent start. We need genuine protected areas to be set aside in each of Alberta's six natural regions. I urge the Minister of Sustainable Resource Development to address this very important issue.

head: **Projected Government Business**

THE SPEAKER: The hon. Opposition House Leader.

MS CARLSON: Thank you, Mr. Speaker. I would ask that the Government House Leader share next week's projected business with us.

MR. HANCOCK: Thank you, Mr. Speaker. It's indeed a pleasure to share next week's business, because we will be finished with Committee of Supply. On Monday, May 28, in the afternoon under government business for second reading we anticipate dealing with bills 17, 18, 16, 19, and 20 or such of those that we haven't dealt with today and Committee of the Whole or third readings as per the Order Paper. At 8 p.m. for second reading as per the afternoon and then in Committee of the Whole on bills 2, 7, 8, 9, 10, 12, 13, and 11; for second reading on Bill 20, the Appropriation Act.

On Tuesday, May 29, at 4:30 p.m. under Government Bills and Orders for third reading bills 1, 2, and 7 and as per the Order Paper. On Tuesday at 8 p.m. under Government Bills and Orders for second reading private bills per Tuesday's report, Committee of the Whole for private bills as per Tuesday's report, bills 20, 14, 17, 15, 16, 18, and 19, and third readings as per the Order Paper.

Wednesday, May 30, at 8 p.m. under Government Bills and Orders for third reading private bills, Committee of the Whole as per progress made on Tuesday, third reading of Bill 20 and as per progress made on Tuesday as per the Order Paper.

On Thursday, May 31, in the afternoon under Government Bills and Orders we would invite Her Honour the Lieutenant Governor to attend on the House for Royal Assent on such bills as may have been passed through third reading at that time, including bills 3, 4, 5, 6, 20, private bills, and as per the Order Paper, and such other business as may be left on the Order Paper at that time.

THE SPEAKER: On the first of two points of order that I've been advised are forthcoming, the hon. Member for Edmonton-Ellerslie.

Point of Order Sub Judice Rule

MS CARLSON: Thank you, Mr. Speaker. My points of reference for the point of order are Standing Order 23(g) and *Beauchesne* 509 and 510. In reference to the Minister of Environment in response to a question from the Member for Edmonton-Gold Bar on Hub Oil, the minister stated that the Hub Oil issue was before the courts and he was therefore not willing to respond to the question. I would refer you to 23(g) in Standing Orders where it talks about:

where there is a probability of prejudice to any party but where there is any doubt as to prejudice, [in sub judice matters] the rule should be in favour of the debate.

Beauchesne 509 references: "In doubtful cases the Speaker should rule in favour of debate and against the convention." And 510:

The Speaker has pointed out "that the House has never allowed the sub judice convention to stand in the way of its consideration of a matter vital to the public interest or to the effective operation of the House."

We have numerous instances of pieces of correspondence from the Minister of Environment on this issue talking about a variety of violations. We have ongoing safety and environmental infractions. We have ongoing groundwater and soil contamination issues with regard to this matter, and we have two people who were killed in this particular matter. In addition to this, we have seen in this Assembly over the past two weeks the minister answering Hub Oil questions, other ministers having answered Hub Oil questions, and even the Premier, responding to the extent that his knowledge on the issue was present, answered questions on Hub Oil.

So our position is that in accordance with Standing Orders and *Beauchesne* that refer to not allowing sub judice "to stand in the way of its consideration of a matter vital to the public interest" or where there is any doubt, the rule should be "in favour of debate," we believe that the minister should answer the questions.

THE SPEAKER: The hon. Government House Leader on this point.

MR. HANCOCK: Yes. Thank you, Mr. Speaker. The Standing Orders do not say what questions must be answered; they say what questions cannot be brought up. It's clear under the Standing Orders and under *Beauchesne* that you cannot raise a question or enter into debate in a matter which is sub judice. The rules do not require a minister or any other person in the House to comment on something when they feel it's inappropriate to do so, and it may or may not fall within the purview of the Standing Order rule with respect to sub judice. It may be quite appropriate still not to answer a question because you don't feel it's appropriate to do so.

In the House today the question that was raised was a question directly related to the charges which were laid against Hub Oil, and the minister, in my view, quite rightly indicated that he was not comfortable speaking specifically to the question of the charges or the progress of the charges. That was quite in order. It may well have been a question that was in order, but it's also, certainly, the minister's privilege, right, and I would suggest, his obligation not to comment in those circumstances where he feels that providing an answer in that case or proceeding with discussion in that particular area would be inappropriate.

So notwithstanding that the sub judice rule may allow questions to be raised in certain circumstances, it does not compel an answer. As you have commented many times, no minister is compelled to answer a question, and in this case the minister quite rightly indicated that he was unwilling to provide answers under the circumstances, because there were charges before the courts, and he didn't wish to get into discussion on that.

To go further, Mr. Speaker, this was not a debate; it was question period. While, again, the discussion at an appropriate time and an appropriate place may have come up under the conduct of debate in the House, the Speaker may well not have ruled it out of order for it to come up in discussion, but it still would have been up to the minister as to whether he wanted to engage in that discussion and whether he thought it appropriate to do so.

THE SPEAKER: The Blues are very clear. A question was forthcoming from the hon. Member for Edmonton-Gold Bar, and I'd just quote from a section of the question: "Have additional charges been laid or will additional charges be laid under the Environmental Protection and Enhancement Act and the Criminal Code?" The response from the hon. minister: "Well, I can comment, Mr. Speaker, on part of that question, and I can read exactly the charge that was laid on August 1, 1999," and he goes on to quote some sections from the charge that was laid.

2:50

Now, one can go on ad nauseam with respect to the sub judice rule, but very clearly, in a nutshell, from the date the charge is laid until a determination of the charge, we follow the practice that basically says that the matters would become sub judice and questions should not be proceeded with in that regard. That's the traditional approach we've taken on the basis of all the consultations that we have. *Beauchesne* is part of the consultation mechanism, and the whole thing has to be read in the context of the whole section and all sections with respect to *Beauchesne* and other parliamentary authorities. One should avoid just extrapolating certain paragraphs and staying in the context.

The flexibility that the chair would use in these regards: number one, it's quite legitimate to ask the question, "Has the charge been laid?" Once the answer has been given – "Yes, the charge has been laid" – then I think we should avoid with a great deal of prudence further questioning with respect to this matter until a conclusion to it has been reached, as we just recently had a situation here before the Assembly where certain charges were laid, then decisions were made, and questions were forthcoming thereafter.

There is no incumbent need for any member of the government to answer any question. That's a time-honoured tradition of the parliamentary system, and how that individual, he or she, might choose to answer a question is also subjective for that individual in the manner in which they would want to raise that. So the matter has been raised, I gather, more for information than anything else.

The hon. Government House Leader on a point of order.

MR. HANCOCK: Actually, Mr. Speaker, on a point of privilege.

THE SPEAKER: A point of privilege?

MR. HANCOCK: Yes.

THE SPEAKER: Okay. Citations please.

Privilege Imputing Motives

MR. HANCOCK: Mr. Speaker, during question period today the hon. Member for Edmonton-Highlands raised questions with respect to the Meridian dam project and, in raising the first question, referenced a benefit to the hon. Minister of Environment's constituency. I chose to overlook raising a point of order at that stage, although I think it would have been quite an appropriate issue to raise a point of order on.

However, in the supplemental question he referred to "a pork-barrel project." In the context of both of those comments it was very clear to members of the House and to anybody who might have been watching that he was doing what we've heard earlier this week being done, and that is impugning the integrity and the character of the minister and Member for Cypress-Medicine Hat.

I would refer you, Mr. Speaker, to *Beauchesne* 485 and 491. Sorry; I had it marked. No, that references unparliamentary language.

But I would refer you to page 86 of the *House of Commons Procedure and Practice*, where it clearly indicates examples of obstruction, interference, and intimidation under the Privileges and Immunities section.

The unjust damaging of a Member's good name might also be seen as constituting an obstruction . . . The normal course of a Member who felt himself or herself to be defamed would be the same as that available to any other citizen, recourse to the courts under the laws of defamation with the possibility of damages to substitute for the harm . . . However, should the alleged defamation take place on the floor of the House, this recourse is not available.

I've argued with respect to questions of privilege before, Mr. Speaker, and I think them to be very, very serious matters. The question of reflection on a member's integrity is one of the worst accusations that can be made. It goes to the very ability of a member to represent his constituents. If you do not have integrity, if you do not have honesty, if you do not have your character and reputation intact, you cannot be a member of this House and represent your constituents appropriately.

Therefore, the allegation, which is clearly there in the member's questions. The first question, talking about benefit to the constituency, one could take in many contexts, but when you combine that with the accusation of this being a pork-barreling project, Mr. Speaker, it is very, very clear that the Member for Edmonton-Highlands was accusing the Member for Cypress-Medicine Hat, the Minister of Environment, of taking on a project for his own benefit. It clearly calls into question the member's character and integrity, and the hon. member should be referred, in my humble submission, to the appropriate committee of this House to investigate and to call him to account for those remarks and for attempting to take away, in the way these questions were phrased and the way the accusation was brought to the floor of this House, the reputation of the member in question.

THE SPEAKER: Hon. members – and I will recognize the hon. Member for Edmonton-Highlands – the hon. Government House Leader has risen on a point of privilege, which should not to be taken lightly and will not be taken lightly by this Speaker or the chair. This is not the same as a matter of a point of order. The points of order we try to deal with quickly and have them out of the way the same afternoon.

Now, having heard the statement made by the hon. Government House Leader with respect to this matter, the chair does not have the Blues and access to them because of the timing with respect to this question. There is no easy resolution to a point of privilege. Pending a full review of this matter, hon. Member for Edmonton-Highlands, you may either choose to make a statement now or await till Monday to make a statement pending a review of the Blues. An opportunity would then be afforded at the conclusion of question period on Monday for the hon. Government House Leader to further participate, the hon. Member for Edmonton-Highlands to participate, and any other member who would choose to participate on this review of the point of privilege, and no decision would be rendered today with respect to that.

However, in fairness to the hon. Member for Edmonton-Highlands

and recognizing his parliamentary experience and the length of it, the chair will provide an opportunity for the hon. Member for Edmonton-Highlands to venture forth at this point if he chooses to. If he chooses not to at this point, then he will be recognized on Monday. That's entirely the hon. member's option. The hon. member should be advised, however, that there is a charge against the hon. member. The hon. member may choose to seek advice.

MR. MASON: Thank you, Mr. Speaker. As I was expecting a point of order from the hon. Government House Leader, I am not prepared to deal with the point of privilege right now and appreciate your offer of deferring it until Monday.

Thank you.

THE SPEAKER: Totally appropriate.

The hon. Member for Edmonton-Highlands on a point of order.

Point of Order

Insulting Language

MR. MASON: Earlier in the response to the same question the hon. Premier suggested that under certain circumstances I had no social values. I believe that this is a contravention of Standing Order 23(j), when a member "uses abusive or insulting language" and would request that you rule on that point of order. Mr. Speaker, I can understand how such a suggestion might be made in the heat of debate or in the heat of question period, but anyone who has looked at my work in politics over the years would have to admit that that is not a correct statement.

MR. HANCOCK: Well, I'm tempted to even just ignore the point of order, Mr. Speaker, given the juxtaposition of this point of order with the previous question of privilege, which was a far more serious nature.

Obviously the Premier and I haven't had the benefit of the Blues on this one, but when he was commenting, he was suggesting that water issues in this province are of utmost importance. The management of water is a clear issue and an issue relating to social values just as important as any of the social values that the hon. Member for Edmonton-Highlands might raise from time to time. I think the response that was given by the Premier this afternoon was very clear in the context that he was raising with the hon. member, that questions of water should be dealt with on just as high a plane as some of the other social issues that are raised because they're important to Albertans and different parts of the province have different issues that raise their level of importance for them. Water in the south is clearly an important issue. It was in that context that the Premier made the remarks that he made.

I don't think anyone in the House could have taken that as impugning the hon. member's character at all, and everybody of course knows where the hon. member comes from. His public positions from time to time on various issues have been very clear. The answer that was given this afternoon by the Premier very clearly was intended to indicate to the member that he should consider water issues as important as some of the other issues that he raises and wasn't, obviously, an impugning of the member's character.

3:00

THE SPEAKER: Well, hon. members, the chair was listening very attentively to what was happening. The hon. Member for Edmonton-Highlands did not at the time advise the chair that there would be a point of order. The chair received that later by way of a memo. Normally, again, if there's a point of order, one rises and advises at the time. The chair, again, had great difficulty ascertain-

ing where there was an allegation made against another member at that particular point in time. The chair is however prepared to review the Blues and will provide additional comment on Monday with respect to this matter.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Shariff in the chair]

THE DEPUTY CHAIRMAN: We'll call the committee to order.

head: **Main Estimates 2001-02**

Environment

THE DEPUTY CHAIRMAN: I'd just like to remind all members that this is not a designated committee. Therefore, the standard rules that were agreed to by the House leaders apply. The minister will have 10 minutes to open debate, followed by one hour allocated to opposition members. If any of the government members wish to speak, they'll have an opportunity thereafter, and then the minister will have five minutes to conclude debate.

With that, I'll invite the hon. minister to open debate.

DR. TAYLOR: Thank you very much, Mr. Chairman. I'm very pleased to be here this afternoon and go over my estimates and be able to listen to the fine members of the opposition that are here and hear what they have to say.

Just as we go forward, I'd like to introduce some people that we have upstairs. We have my fantastic deputy minister, Dr. Roger Palmer, who was with me in Innovation and Science and has kindly consented to come with me into Environment. I very much appreciate his advice. We have my terrific communications director, who wishes I didn't say some of those things I said in the past, Val Mellesmoen, who also came with me from Innovation and Science. Upstairs as well we have Alex Hildebrandt, who also came from Innovation and Science, and Bruce Perry. Bruce is part of our financial team that keeps us on the straight and narrow when it comes to our finances, and we certainly need that. Thank you for coming, folks. Why don't you folks all rise and we'll give you an appropriate welcome.

Anyway, it is a pleasure to be here as the new Minister of Environment. I can say, Mr. Chairman, that when I was first informed I was going to Environment, I was perhaps – how shall I say it? – a little surprised. I think there were a number of other people out there that are probably still surprised, some of my colleagues. But I'm very much enjoying it. I was used to a very strong economic ministry in Innovation and Science, in which we were driving a research agenda, driving a business agenda. Although I had general concerns, as one does, about the environment, I never really had to pay an excessive amount of attention to it in terms of what I was doing and some of my actions.

Mr. Chairman, now I think constantly of how we make decisions. I think constantly of how I personally make decisions: about my recycling and how I can recycle better at home. Actually, my wife is in the business of helping to train me, and my kids are in the business of helping to train me as well. So it's opened up a whole new world of experience to me.

One of the ways I'm using to help me make decisions is the fact that I have grandchildren. I will have grandchildren living in this Edmonton area after July 15, so when it comes to a decision-making process, when we're talking about Inland Cement or any of these decisions that we make, one of the questions, just one, that I ask

myself is: would I want my grandchildren living there? That's a very serious question to me because, as you know, Mr. Chairman – I think you've had the opportunity to meet one of my grandchildren once several years ago in the summer – these two little guys are going to live here in Edmonton, a six-year-old boy and a three-year-old girl. They are the smartest and best-looking grandchildren in the world. So the question I ask myself is: would I want my grandchildren living in the vicinity of Inland Cement? Would I want my grandchildren drinking this water? [interjection] I see that the Minister of Learning is greatly enjoying my conversation here with the group this afternoon.

That's an important question. If I answer that question and say, "No, I don't want my grandchildren drinking the water," or "No, I don't want my grandchildren living in that particular location," then the question for me, Mr. Chairman, is: why should your children or why should anybody else's children be expected to drink the water or to live in a location like that? That's a very serious question. That's one of the things that's helping me become focused, helping me to understand some of the significant issues that we are in fact dealing with.

I want to be able to hear from Albertans, quite frankly, and I'm making myself very available to do that. In fact, some of my colleagues were at a meeting I was at – it would be two weeks ago this coming Monday night – in a community hall here in Edmonton. I've forgotten the name of the community hall offhand.

MR. RATHGEBER: Woodcroft.

DR. TAYLOR: Woodcroft community hall. There were 250 or 300 people there, Mr. Chairman, and you may have seen some of the results on television. They very clearly told me what they were thinking at the time, and I very clearly heard what they were thinking.

We're going to do it in the same kind of format in the Exshaw-Canmore area a week from tomorrow night. We're going down to Exshaw and Canmore, once again, to hear people's concerns. I want to be very up front with people, I want to be very open with people, and I want to listen to their ideas. I want to hear: are there better ways of doing things? Can we as the Department of Environment do things in a better way?

Not only do we want to hear about actions, but we need to hear their feelings as well. We need to know how they're feeling about certain issues. It's been my experience, just from the one meeting that we've had, that people are not shy in telling us about their feelings. So that's why I'm going to do everything in my power, as we move forward, to make this ministry friendly to the people of Alberta. When I say friendly, you know, it's our frontline staff that has the largest contact with the people of Alberta, and we're going to work very hard with our frontline staff to make them listen to the people of Alberta and to be respectful to the people of Alberta and to be helpful to the people of Alberta. It's not enough for our frontline staff just to sit and listen, even in a respectful fashion. We have to learn to be helpful to the people of Alberta as well.

Now, this ministry has received many kudos in the past number of years and will continue to receive kudos for its professionalism, but we do get some criticism – and, I believe, legitimately so – because of the length of time of our processes. Some of our processes, Mr. Chairman, do take a long period of time. In fact, it takes too long, and rather than getting the results to people, in some cases we serve up red tape. I want to tell this House and I want to tell the people of Alberta that this process will change.

3:10

Now, because we're changing the process and speeding up the process, that does not mean we are lowering our standards. I want

to be very, very clear on that. We will maintain our standards or even make our standards more rigorous. What we are doing is reducing the amount of time that it takes for the companies, for the individuals to get through the process. Whether it's an Environmental Appeal Board hearing or whether it's an environmental review process, we're going to reduce the amount of time it takes to get through that process. It has absolutely nothing to do with lower standards.

We're going to seek outside public advice, Mr. Chairman. One of the first steps we will take is to appoint a new environmental advisory committee. This committee will be chaired by Moe Amery, and we will activate that committee. We will put some experts on the committee, but as a former Treasurer of this House said: we've got to listen to the Henrys and Marthas. We will be putting Henry and Martha on this committee or, as the Premier refers to them, severely normal Albertans. This committee will be my first line. When I've got some new ideas, when I've got some new programs, I will be taking the new ideas, the new programs or issues that the environmental advisory committee wants to talk about and listening to them. This will be a very activist committee, and I have some experience with committees like this. I was very involved with the Alberta science and research authority for four years, and I can assure you that it is an activist committee that advises the government.

I see you're just signaling one minute, Mr. Chairman, but I'm only on page 2 of nine pages. So what I will be asking for is unanimous consent to continue.

AN HON. MEMBER: No.

DR. TAYLOR: I can't believe I heard that from a colleague.

We will be going forward with the environmental advisory committee and bringing the average Albertan in to provide advice not only to me but to the department.

Not only will we do this, but in this whole process we will become more transparent. It is necessary that companies and Albertans understand clearly the process. People have to know where their processes are, where their application is in the process. People need to be able to understand and see where their appeals and processes are. What we're going to move very quickly towards is a one-window access for such things as applying for a licence that may require a regulatory approval under the Water Act. For instance, Mr. Chairman, if you needed a water licence today in southeastern Alberta in the St. Mary River basin . . . [Dr. Taylor's speaking time expired]

Could I request unanimous consent to continue, Mr. Chairman?

[Unanimous consent denied]

THE DEPUTY CHAIRMAN: I regret that your request has been denied.

The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. It's nice to see that the minister has got some friends.

Mr. Chairman, I'm happy to participate in the Environment estimates this afternoon. First of all, I would like to say hello to the staff from the department, all really good people, people that, for the most part, I've had the opportunity to work with over the years. Certainly I respect their abilities, their judgment, and their commitment to the environment. Sometimes what I don't respect are the rules that they have to operate under based on the kinds of government policies that this government has brought forward in Environ-

ment, but that is an entirely different issue. I know that they do absolutely the very best job they can given the mandate that they work within.

The first few comments I have are with regard to the divisions in this ministry. Sustainable Resource Development is gone. Environment stays with limited kinds of areas of activity including environmental assessment and compliance, environmental sciences, environmental operations, climate change, and water management. What it looks like to us, Mr. Chairman, and only looks like because we don't have the details on this yet from the minister or his department in terms of the exact scope of his responsibilities, is that this minister is in charge of air and water and the decision-making that provides a base for discussing protection issues in this province, and those issues that relate to the province's ability to participate in moneymaking have gone to the Sustainable Resource Development side. I would like some clarification on that and some detail in terms of what the department sees now as their mandate and the scope of their responsibilities. If we could have that, that would be helpful.

The minister talked in his opening comments about the environmental advisory committee. The concept is, I think, a good concept and interesting. What will be primarily interesting here is how this unfolds. The other most recent committee that this department has been responsible for is climate change, and I think that that overall is working not badly. I do have some questions on that. I would hope that this advisory committee would follow suit and, also, at the very minimum work not badly.

I have some questions with regard to that, and that is: how does the minister expect to achieve a balance in terms of representation on the advisory committee? He talked about stacking it with average Albertans, so what we need here, Mr. Chairman, is a definition of exactly what average is. You can be average industrial supporters or you can be average environmentalists. There's quite a wide range of beliefs and standards that will be set and recommendations that will be brought forward depending on which side of the teeter-totter you happen to sit. So if we could get some definition in terms of that.

What I would expect to be happening on that committee is that we would see a fair and reasonable balance. The selection of the people to the committee is perhaps going to be absolutely the most important process that can happen with the committee. It is fundamental to the committee actually being helpful, complementary, and taking the best interests of the province to heart in terms of its membership.

We would expect to see some industry representation on that committee. We would expect to see some agricultural representation on that committee. We should expect to see some representation from either municipal districts or municipalities on that committee. We would expect to see some representation from environmental groups on that committee. We would expect to see people who truly have no direct ties to any kinds of interest groups, be they from any of those particular sectors, and we would expect that screening process to be quite severe in terms of establishing what ties people have to what places.

We saw during the special places committee assignments how easy it can be. Skewing of the representation on the committees can occur. It's very easy to say that you put someone on the committee who has a strong environmental interest who also has one or several other interests that would be deemed by environmentalists to be competing. I'm thinking of a person representing themselves in this instance as an environmentalist whose real, key interest is off-road vehicle trails or industrial development of some form or rezoning of some form. So I would ask that the minister be scrupulous in terms of the criteria he develops for the advisory committee and the manner in which he proceeds in bringing people on to that committee.

3:20

If it not only is fair representation but is perceived to be fair representation by people in the province, then there will be a lot of trust put into the committee, and it will have a lot of credibility. I believe the minister will find that a committee such as that could be immensely helpful to him and his department in the kinds of decisions that they're going to need to make in the future. So I would hope that in spite of the flippancy of some of the remarks we've heard from him this afternoon, he will take this issue seriously. I believe that he does in most instances take the issues seriously and that would be the case here.

We would also like, Mr. Chairman, some more information in terms of what the budget is for the committee, the breakdown of the expenses: who gets paid; what kinds of expenses will be reimbursed? Some sort of outline in terms of when they'll meet; how issues will hit their agenda; how resolutions will be made; if, in fact, there are resolutions or recommendations, how they are presented to the minister; any kinds of time lines on reports back or even bringing the resolutions forward; also any kind of benchmarking the committee is going to do in terms of measuring their successes or failures over time.

I think this is a serious and significant step in the right direction, and I will watch with bated breath as it unfolds and hope that it will actually achieve the objectives that will truly benefit the entire community, being the province of Alberta.

So, with that, I want to talk about one of the other comments that the minister talked about when he said in his opening comments that he wants to hear about better ways of doing things. Mr. Chairman, I think we have a few good ideas in that regard in response to the environment.

I have been the environmental critic for some years now in this province. It is interesting to watch the way things unfold and the kinds of filters that the government has used to make decisions and the lobbying that has gone on, both at the industrial level and at the environmental level, how money gets spent on lobbying, how people use different kinds of schemes and avenues to try and get what they want in environmental decision-making. What that has proven to me beyond a shadow of a doubt over these years of watching this is that the lobbying process that we have on environmental issues is completely flawed. I would hope that this minister, who I think likes to make a big splash and who has an opportunity in Environment to do so, would consider an idea that we are bringing forward in terms of supporting the sustainability of the province.

The idea is this. The objective here is to take the lobbying, the personalities, the dollars out of the decision-making process for the environment and instead provide a framework under which environmental decisions and, in fact, industrial and agricultural decisions can be made on a science-based basis as opposed to the kind of lobbying techniques that happen now.

How would this unfold? What needs to happen? We need to do an inventory of activity that's happening on the landscape in the province at this particular time. That inventory would include determining what uses the landscape is under and what pressures the landscape is under right now from an agricultural perspective, from an industrial perspective, from a people perspective, from a wildlife perspective, and from a plant life perspective. What is the current land use load in all regions of the province right now?

Once that has been established, then you can ask the question: is the landscape currently supporting the uses it has? I think that in some cases we can just say yes. In some cases we can say that the landscape is underutilized, and in some cases we will see that there is a burden on the landscape right now that is unsustainable. Perhaps in some of the northern parts of the region we'll see that the

landscape is underutilized from whatever perspective you take. There is lots of argument that in the greater Edmonton area the air is overutilized at this time, and the kinds of industrial uses and pollutants we're putting into the air now is not sustainable in the long run. I think you will find that some places in central Alberta are just fine the way they are and that they're very sustainable in the manner in which they are being taken care of.

As we do that, at the same time what we have to do is take a look at the province and decide what kinds of uses we want and where. Some of them are already mandated by us: the national forests, some of our provincial parks, and some other land uses. We already know what those are designated as, and we're quite happy with those. In other areas we have competing interests and aggressive lobbying going on by all sides for different kinds of use and sometimes integrated use at this particular point in time.

So, first of all, we decide what the land use is right now, and then we need to decide what is it that we want it to be used for. Then we have to decide: is that sustainable? Perhaps we need to move some of our industrial regions into different parts of the province. If they're not sustainable on an air, water, and landscape basis, then where do we go with development?

If we can decide that kind of criteria, it certainly helps us with decision-making in the future. Then it doesn't matter who's lobbying the government; there is a science-based response to the decision-making that goes on. If we find out that wildlife corridors cannot be multi-use facilities, then that helps us in our decision-making process.

I was at a briefing this morning with the staff from Sustainable Resource Development, and I thank them very much for the briefing. An interesting thing happened there. We're taking a look at a map of some proposed development at Three Sisters and its two golf courses. The staff are explaining to me how the wildlife corridors are going to be sustained through that basis. I'm looking at the map, and what I see are golf courses. What doesn't occur to me is that now golf courses in this province are multitasking. They're also wildlife corridors. This only happens in Alberta, Mr. Chairman.

MS BLAKEMAN: What do the golfers think about that? A moose just wandering through.

MS CARLSON: Well, often the moose do wander through and the elk and the ducks. We've got lots of Canada geese on golf courses in the mountains that have been beamed by golf balls. Well, what we need to do is put little helmets on them to protect their safety; right? It's hard for me to grasp the concept of golf courses as multi-use facilities, multitasking also as wildlife corridors, but clearly this is what is proposed.

This falls within the rules of the decisions that were made on this piece of land, and clearly to the best of their ability, the ministry will carry out and exceed, whenever they can, the expectations according to the rules. The issue is the rules, Mr. Chairman. I think that often they are wrong when it comes to actually being able to sustain different kinds of uses of our landscape.

So the filter can't always be industrial development in this province. The filter needs to be land base utilization and what is sustainable in the future. We change the way we make the decisions just a little bit to decide what is sustainable on the land base given the kinds of things we want in our life.

So what do we want? We all want good jobs. We all want clean water. We all want clean air. We all want some green space that we and our children and our grandchildren can access and enjoy.

If we use those as the criteria for deciding how we're going to carve up the province and then we back it up with some science-

based facts in terms of what the landscape can actually sustain, we end up with a decision-making process that is very clear, that is not open to lobbying by whomever has the ear of the government and is not open to protest by those who don't have the ear of the government. The decisions are science based and are sustainable in the long run. So when we talk about sustainability, I'm not talking about these three-year business plans that we see from the department; I'm talking about 15, 20, 30, 40, 50 years down the road. [interjection]

If you're going to sit here and stare at me while I'm talking, then you'd better be prepared to participate in debate.

3:30

MS BLAKEMAN: This is a cute trick.

MS CARLSON: Yes. They try to do this to me quite often. They think that it's going to cut down my speaking time or somehow otherwise interfere, and normally the chairman would interfere at this point and ask the member to take his seat and not be bugging me or otherwise providing interference in my speaking time.

Mr. Chairman, I'm looking for a ruling to remove this person who is not in his place while I'm speaking.

MR. LUKASZUK: You're not enjoying my company?

MS CARLSON: No, I'm not enjoying your company at all. If you want to sit here and bug me for the rest of the time, then . . .

THE DEPUTY CHAIRMAN: Would the hon. member please take his own seat? Thank you.

MS CARLSON: Thank you very much, Mr. Chairman. [interjection]

Yes, they do have to grow up. The peanut gallery over there likes to interfere in our speaking time if they can. But certainly that's not what we're prepared to tolerate, Mr. Chairman, and as the chair I'm surprised that you would be either.

To continue on with my comments in this regard, we have some interesting times before us in this province as the minister decides how he's going to move forward with this department. I think they're doing some very good things. We're going to see a long-term planning process, I believe, being put in place in terms of where they're going on this issue, so I hope that he and his department will take my comments under serious consideration.

This is an idea that I have talked about with many other people. Certainly in talking to the University of Alberta and their environmental department, they are quite prepared to participate in establishing science-based criteria for determining land load and for determining what is sustainable in terms of increased or potential land load in the future. So we then also take some of this decision-making away from the politicians, where people can say that the decision-making process is also skewed. We put it into the hands of reputable people who can do adequate research and provide a good foundation for decision-making. I think that's very good.

I've talked to people from industry on this, and in fact I have a commitment from some people in industry in terms of monetary support should this kind of a project go forward. So industry, too, is wanting decision-making to be made on environmental issues on a science basis rather than by lobbying. While they're winning the war on lobbying in this province at this particular time, they know that in fact that's not always sustainable, that the decisions being made are not always the ones they would choose as a first option. But they have to make some choices in terms of who gets the rights, and they're going for the brass ring, as they should.

I have talked about this idea with people from the environmental community. They, too, would like to see science-based decision-making on land load and land load use for this province. Also, many groups would be willing to participate in any manner that they can in terms of suggestions or more direct participation in this area.

So, Mr. Chairman, I would respectfully ask the minister and his department to consider this as a viable option. It's something that now, with the change in his department, he could move forward on and truly have some excellent results. He could go down in the history of this province as the best environment minister that we've ever had. He could establish a basis for decision-making that then could be taken not only by other provinces but by other countries as we move forward into a global economy where environmental decision-making will actually gain a larger portion of attention.

Thank you.

THE DEPUTY CHAIRMAN: Before I recognize the next speaker, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(reversion)

THE DEPUTY CHAIRMAN: The hon. Minister of Economic Development.

MR. NORRIS: Thanks very much. It's a great pleasure for me to stand in this House and introduce to you and through you two gentlemen in the members' gallery. These two fellows I met about a year ago when we took on the challenge. They believed in me then and they still do, which is kind of a miracle, Mr. Chairman.

DR. TAYLOR: You shouldn't admit that publicly.

MR. NORRIS: I won't admit that publicly. The fellows in question are the president and vice-president of the Edmonton-McClung riding. They're as happy as I am that we have it back.

DR. TAYLOR: And surprised.

MR. NORRIS: And surprised, yeah.

I'd like to have them rise and receive the warm welcome of the gallery. It's Mr. Marty Raine and Mr. Ralph Henderson.

head: **Main Estimates 2001-02**

Environment *(continued)*

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

MS BLAKEMAN: Thanks very much, Mr. Chairman, for the opportunity to join in the debate and questions for the estimates of the Department of Environment. I have to admit that I'm struggling a bit to track the way the government has divided everything up. Mind you, this government seems to like to change their structure and how many ministries they've got every 18 months or so just for fun. My understanding of this department now is that it includes air and water essentially.

As I look at the notes there, the "two core businesses are Environmental Management and Environmental Hazard Management", and these are to support their vision and mission. When I looked at the core values, this is the first time I've seen this: this ministry lists it

last – but nonetheless it's there – core value as "honesty, integrity and ethical behaviour." I thought: well, that's the first time I've seen that. Very nice to see, and I hope it's followed through with.

The areas that are of interest to me this time are the ones with increases, and what we've got is increases in environmental assessment and compliance, environmental sciences, environmental operations, climate change, and water management. Now, this is interesting to me, Mr. Chairman, because in Edmonton-Centre the environment consistently comes in as the third most often raised issue of importance to constituents. That's following health, education, particularly postsecondary education, and then the environment. Of course in the last six months the issue around energy, electricity prices and natural gas prices, have superseded all of those.

Consistently the constituents of Edmonton-Centre have been very thoughtful, concerned citizens of Alberta who in particular are concerned that we find a balance in the struggle between people and places and corporations and development. If anything, I think my constituents would prefer that we erred on the side of people and places. Although we live in the centre of a metropolitan urban city, we seem to share a deep concern for our environment and for the natural resources that we should all be sharing in as Albertans.

Now, as I start to go through the actual numbers in this department, a couple of questions. I'm interested in the ministry support services. I'd like to know how many FTEs are employed under ministry support services for this budget year. We've been given one number for the entire department, which isn't really helpful to understand how the breakdown in the programs happens. I've seen this as a consistent factor all the way across the estimates that I've looked at this year, and therefore I end up asking the same question over and over again to try and get some idea of detail about what's actually going on in these departments. We're tending to get a one-vote breakdown and sometimes a second-layer breakdown about what's actually going on under these program headings, but it's difficult to plow through. So a breakdown in the ministry support services, and I'd also like a breakdown of the FTEs by each of the subprograms that are appearing in the budget.

I look and I see a \$320,000 budget for the minister's office for this year. If I could please get the information on salaries: how many are full-time permanent, part-time permanent, contract positions, and, as well, the hosting expenses, travel, advertising, and telephone and communications, please.

Now, that's a comparison that I didn't do here, what I've seen in a number of the other departments that have been sort of broken off from what they were before. Environment in fact has lost some areas that they covered to Sustainable Resource Development. If that were the case, then some of the money from the minister's office should have gone over to that department, and I bet you it's the same amount.

3:40

The same question about the deputy minister's office budget. That's listed at \$312,000. I would like the breakdown of salaries there as well, the number and amount as to permanent positions, nonpermanent positions, contract positions, and the hosting, travel, telephone and communications, and advertising budgets.

One thing of interest to me is that there's a little less than a \$200,000 increase in the budget for human resource servicing, and I'm wondering if this is a signal that the department is looking to hire new staff for some particular project. The overall number of FTEs didn't change, but is the staff expected to decrease with a number of ministerial duties going over to Sustainable Resource Development? What's that \$200,000 buying us when we look at that increase in human resource services?

I'm also interested in finding out how many requests the depart-

ment received under FOIP in the last year. I note that this year there is a modest increase, so is the department expecting more applications in the 2001-2002 budget year? Perhaps I could get some clarification from the minister on that.

Moving to program 2, policy, program and standards. Again my question about the FTEs. Under the program for policy, program and standards, where are the FTEs allocated, please? What is the breakdown of FTEs by subprogram?

I'd also like to know why in vote 2.0.2 the capital investment is increasing from \$124,000 to \$794,000. Why is that? What is anticipated there? And some detail on the capital investment, please. Could I also get a comparison between what capital goods were purchased in 2000-2001 and what investments are considered or contemplated or anticipated for 2001-2002?

Looking at the budget for environmental assessment and compliance, that's increasing from \$3.2 million to \$6.2 million. That's a lot of money, \$3 million. Is this including additional staff? If that's the case, since we see the same total number of FTEs, what other area is losing staff?

The budget for environmental sciences, which is vote 2.0.4, is increasing from \$8.3 million to \$15.6 million, almost double. Again, what is this covering? Could I get some detail and breakdown about why we're seeing this? Is there a new research initiative, with this being here, that hasn't been announced somewhere, where we're waiting for a big announcement sometime later in the year when we need a diversion? What is this amount of money? Is it a volume increase for some reason? A higher anticipation of demand? What's the money for?

We've also had an increase in the budget for climate change, which is 2.0.6, and it's going from \$1.69 million to \$3.36 million. So some details and breakdown, please, on programs and initiatives that are funded under this increase and, with that, the accompanying staff assignment.

Moving on to program 3, regional operations. Now, this is interesting. All of the budgets for regulatory approvals are increasing except for the one for the northeast slopes region. Why is this budget decreasing? What is the difference between this budget and all of the other regions that are noted? Is something happening there that's not happening in this particular region? Could I get some details on that, please?

When I look at the next line items here for environmental enforcement and monitoring, again, all of them are increasing except for the northwest boreal region. Why is the budget for enforcement in this region decreasing? What's anticipated here that's not going to happen anymore, or correspondingly, what is anticipated to happen in every other region but this one that would account for their increase in the budget?

The third part of these votes is water management. We've got the northwest boreal region and parkland. Again, those two budgets are decreasing for water management, but the rest of the budgets in all the other areas are increasing for water management, so I'd like detail, please, on what's happening in each of these regions. Do they have more activity? Or what is the activity that's being decreased in the parkland and northwest boreal that they have need of less money?

Now a couple of specific questions here. Are the dedicated revenues in the various areas from the fees paid for water diversions? How is this money used within each region? Does any of the money go into research on water levels in the individual regions? I'd also be interested in knowing how many applications for water diversions had fees waived, and under what circumstances were the fees waived?

Can I also get information on what studies the department is doing

regarding water tables in the province? What is the status of our water tables? There's a lot of interest since Walkerton and then the more recent episode just across our own border in North Battleford and Saskatoon – I think it got that far – around water, plus there's an overriding concern from people that there might be some attempt to be selling water, which under NAFTA would commit all provinces to then be selling water. So both the potability of our water and our management of it as a resource have moved up on everybody's radar screen. Obviously our water tables are a big part of that equation. So I'm looking for more information about that.

Has the department done any recent studies on interbasin water transfers? Are water transfers being considered as a way to deal with drought conditions? That would be interesting.

Those were a few of the questions that I had. I know that I have other colleagues who are looking to bring forward additional points and concerns and questions on this budget, and I will make way for them.

Thank you for the opportunity.

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

DR. MASSEY: Thank you, Mr. Chairman. I'm pleased to have this opportunity to raise some questions about the budget estimates that are before us this afternoon from the Department of Environment. I wanted to start with some specific questions about the measures that are going to be developed. Page 136 of the business plan begins with a goal to develop a "credible set of environmental indicators," and it goes on further to say that this is "important for sound" policymaking. Then what follows is a number of goals and some targets that are being set for them. I guess what I worry about, Mr. Chairman, is the reliability of the measures that are going to be developed and the targets that are going to be set.

3:50

One of our experiences on this side of the House with the business plans is that they keep changing. They keep changing in terms of what is being monitored and what is being reported. Instead of what we might have expected, which was a continuous improvement of business plans from 1993 onward when they were first introduced as a tool by government, what we have is just the opposite. There's no track record. Every time a department moves, there are changes in the performance objectives, and we're left with the kind of budget that we have here, with very few measures that give us any real confidence that things are being monitored and that next year we won't be faced with business plans where things have been moved around again and we're asked to look at a set of proposals for targets. So it's a growing concern, I think, and it's one that the Auditor General has addressed in general to all departments. No matter how many times the Auditor General mentions it, life seems to go on as usual, and we have what we have before us.

I'm concerned about the reliability, the credibility, and the durability of the measures that are going to be put in place, and I wondered with many of these: who's going to be involved in establishing the indicators? I hope that it's going to be more than just an inside department task, that there will be a wide range of interest groups and authorities consulted in the development of the indicators, and that when they do come before us, they are ones that we have some confidence in in terms of what they purport to measure.

Every year we seem to go through an annual sort of exercise where one group across the country will rate the province on environmental matters as a D and then the department promptly

responds, "Oh no, it's not a D; it's really a B" and we go through this sort of foolishness. That's because the kind of indicators that are being used aren't accepted by all as being reliable and being valid. My question is: who's going to be involved in setting these indicators? Has consideration been given to setting up an independent group to develop and to monitor? I think that as long as it's being done by the department itself, it's always going to be open to suspicion that the data is being manipulated for government purposes. Again, my question is: has there been consideration given to putting in place an independent agency that could take the measures, once they're developed, and monitor them for environmental purposes?

Under the air quality index they have a report that over the last 10 years the Index has been rated air quality 'good' 97.6% (356 days) of the time. The other 2.4% are for days rated 'fair'. There have been no days [rated] as 'poor' or 'very poor'.

Again, it's a very global index. I'm not sure how useful it is in terms of, say, people living downwind from refinery row. I know there is monitoring done in Edmonton and Fort Saskatchewan, but it's site-specific monitoring. How much of that is being done, and is it enough to make us confident that these global measures like the one that's being reported here are really an indicator of the kind of air quality that Albertans are experiencing?

The drinking water index I think will be welcome by all. We've all had our faith in the public water supplies shaken rather badly in the last year or so. I think the notion of having in place an index and having in place a method of constantly monitoring that water and being able to assure everyone that the water supply that we draw upon is safe and that we won't find ourselves down the road wishing that we had done something as a result of the experiences in North Battleford and Walkerton – so the index is good. Again, I'd be interested to see who's involved in putting the index together and who's consulted and how it can be used as a tool in local communities to report the quality of the index. Again, I don't think a provincial index is useful as much as an index in local communities could be.

The goal of bringing downstream water up to a better standard I think is one that, again, will be welcome. I was pleased to see a group of behavioural indicators being listed, specifically that they're going to get an indicator of "Alberta's progress in reducing the generation of municipal solid waste." The target there I would question. It says: "Continuous reduction of municipal solid waste going to landfills." That's a worthy objective. How fast is it to proceed, and are there going to be targets set so that no matter what the index is set at, we have some target levels in terms of reducing that amount of municipal solid waste?

The next one: "pulp production versus amount of biochemical oxygen demand discharged." There's a target that it "does not exceed 1.0 kilograms/Air Dried Tonne of Pulp." My question is: where does that standard come from? I would be pleased to know the source of that standard, that target.

Similarly with greenhouse gas emissions, it says, "New targets are being negotiated." Can we have some of the details of that negotiation? It says that it's "for achieving its 14% target." Just exactly what is being done in those negotiations? The reduction of greenhouse gas emissions: a number of voluntary organizations, they indicate, are part of that effort. Can we have an indication of who those voluntary groups are in this project?

The climate change concerns raised on page 138, particularly goal 1.1, is again, I think, a welcome addition. One of the activities that they're going to undertake is under the fourth bullet, which is: "Set clear and enforceable standards and guidelines for landscapes (air, land, soil, water quality and biodiversity)." Again, very important measures. My question is: who is going to be involved in determin-

ing those standards, and will we be assured that they are standards that are acceptable and recognized as being acceptable and won't be open to constant challenge by one group or another once they are implemented?

4:00

I had something on management. The goal is to make decisions "about allocating resources through approvals, dispositions and licences and ensure compliance with those decisions." I think that has been raised in past budgets. I know it was raised last year when we looked at this department's estimates. I know they completed a survey of users some time ago, and I wonder if the results of that survey have been reported elsewhere. I don't recall seeing it. It doesn't mean that it's not there. I know there was a survey undertaken by the department where it asked users of the department's services to rate the department in a number of areas, and I would appreciate being able to see the results of that survey.

There were some indicators before that survey was taken that approval time lines were inordinately long in some areas and that particularly when it came to individual Albertans, their requests were put on the back burner and could linger for months and in some cases even years before they were addressed. So if that information is available, I would appreciate having a copy.

Over on page 140 the department takes on the responsibility of "environmental hazard management" and talks about flood prevention and damage to property due to drought being mitigated. Then it has, "The safety of individuals utilizing public land is supported by an effective and efficient system of responding to events and incidents that may threaten life or health." I wondered just as a matter of curiosity if they have considered warning systems for Albertans at public use sites? I think particularly of Pine Lake and the tornado that struck there. The ensuing losses could have been prevented had there been a warning system in place. My question is: is that part of this budget? It may well not be, but seeing that there is this environmental hazard management portion of the budget, I would be interested in that.

I'd like to go back to some questions that were raised last budget time, Mr. Chairman. These are some specific questions about the emissions from gas flaring and from gas plants. There was some work being done. I know the government was making some progress, and I wonder if we could have an update in terms of what's being done in that area to reduce emissions from flaring and from gas plants.

In terms of the accidental risks – and this is where sour gas wells come into play – what protection is in place for Albertans in terms of accidental emissions from sour gas wells and particularly those that are close to populated areas in the province?

There was a lot of work done on the northern river basins study, and it was the subject of a number of questions in the Legislature and a number of questions in last year's budget. Could we have an update on the recommendations that were made in that study? Is there ongoing monitoring? What is the state of the ongoing monitoring? I know that there was some work being done in conjunction with the federal government as a result of the study. Could we have an update on the progress of that work?

One of the concerns that was raised was the fisheries. Has there been any more work done in that area? There were fish advisories on some of the rivers due to high levels of mercury and dioxins. Can we have an update in terms of what has been done?

The other area I'd like to ask about before my time is complete, Mr. Chairman, is the Cold Lake area. Again, it is an issue that was raised in question period and at budget time. What is the state of the water supply in that area? What activities have been undertaken?

What kinds of preventive measures have been put in place to ensure that the quality of that water remains one that people are comfortable with and should expect?

The Pine Lake landfill was poorly sited, and because of its siting, there are hazards in terms of the water table. I wonder who's responsible for the monitoring of those conditions. Are inspections being made? Just what is the state of not only the Pine Lake landfill but also the Ryley landfill? What monitoring has been undertaken by the department? How often are on-site inspections undertaken? Those are two specific landfills.

The other area is intensive livestock operations. I'm not sure that all of these are in the department now, Mr. Chairman, but if they're not, maybe I can receive some direction from the minister in terms of where the questions should be directed. I remember at the time of our last budget the size of the livestock operations was a problem in that it seemed that the size selected for monitoring was very large. The question is: what is done in terms of smaller livestock operations? Are they monitored? How can people be assured that there isn't a cumulative effect from a number of smaller operations that the department wasn't going to monitor in the past?

I think maybe that's the end of what I have for this round, Mr. Chairman. Thank you very much.

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

DR. TAFT: Thank you, Mr. Chairman. In the few minutes remaining to me, I'll touch on a number of issues of particular importance and priority for me. This is obviously a department with a very high public profile, high public concern. The number of questions that have gone to the minister in question period I think reflect that. I'm sure the minister will be kept extremely busy during his time as Minister of Environment.

4:10

One of the puzzles in this department that I haven't quite solved is how some of the responsibility for the land has been shifted out of the Department of Environment and into the department of sustainable development. I'm concerned that that reflects a view of the environment that fails to recognize the integration of all of the different components of an ecosystem. So I would be curious to know more detail about how the line is drawn between the responsibilities of this department and the responsibilities of the department of sustainable development.

The number of high-profile issues that come up under this are many. I'm thinking back just to the last few weeks, the issues of high public concern that I've heard about and that have come up in this Assembly: the intense debate over the Inland Cement proposal to burn coal and the issue of the Meridian dam that has come up repeatedly both in the Assembly and in the press, the widespread concern over water quality, the media coverage and debate in this Assembly on the Ponoka dump, on the deterioration of Lake Wabamun. Those are all issues of high public concern, both in the Assembly and outside. I'm sure the minister has the necessary light touch to handle them, but it will be keeping him busy, and it's a good thing he has over \$100 million to address them as the year goes on.

Relating to all of these are some broader issues such as climate change. Certainly climate change is an issue of national and international concern. As we look at the drought that's intensifying here, there are questions, of course, to be raised. Would this have occurred regardless of human impact on the environment? Whether the link is there directly or not between the weather we have at any

given time, the issue of climate change is not going to go away and is likely to accelerate as we see more and more evidence supporting the fact that climate change is under way and is likely linked to human activity.

As critic for the health department I'm also concerned about the public health aspects of the work of the Minister of Environment, and certainly those relate back to public concern over pollution, emissions, water quality, and so on. I would encourage the department, when they speak of integrated practices and integrated delivery and so on, to ensure that their perspective includes health and that their resources in the budget are committed to keeping health in mind and to working closely with the regional health authorities and the department of health.

There is a long list of business practices. I'll only mention one right now: science-based decision-making. I commend the department and the minister for that. I think we would all support that. I am concerned, of course, as undoubtedly the department is, over the quality of science and the source of science. For example, we need only look at the issue of coal burning to realize that the science is very contradictory, and the source of the science seems to relate to the nature of the argument that is put forward. So the support for the science is important, and I would encourage the government to seek as independent sources of information as is possible. Relying on the coal industry for science on the safety of burning coal is fine up to a point, but it needs to be recognized for what it is.

Key strategies. I commend the key strategy under goal 1.2, working with aboriginal communities.

THE DEPUTY CHAIRMAN: I hesitate to interrupt, but your time has elapsed.

Before I recognize the hon. minister to conclude debate, are there any other members who wish to speak on this estimate?

The hon. minister to conclude debate.

DR. TAYLOR: Thank you very much, Mr. Chairman. I'm actually very pleased to hear the comments from the members. They are in *Hansard*, and we will take the comments seriously. We did have some staff up there listening, but as I said, they are in *Hansard*, and we will respond and give you appropriate responses to the comments you made through a thorough review of the *Hansard*. I thank you all for your comments and time that you've taken in somewhat of an unruly forum on occasion. As I say, the value of *Hansard* is obviously evident because some of my members perhaps didn't hear your comments, but they'll be able to read them, and we will respond to them.

Thank you very much.

THE DEPUTY CHAIRMAN: After considering the business plan and proposed estimates for the Department of Environment, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:
Operating Expense and Capital Investment \$117,225,000

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

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

The hon. Deputy Government House Leader.

MR. STEVENS: Thank you, Mr. Chairman. I move that the committee rise and report the vote and, parenthetically, not seek leave to sit again any time soon.

[Motion carried]

[Mr. Shariff in the chair]

MR. LOUGHEED: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2002, for the following department.

Environment: operating expense and capital investment, \$117,225,000.

THE ACTING SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed? So ordered.

The hon. Deputy Government House Leader.

MR. STEVENS: Thank you, Mr. Speaker. Now that the supply estimates have all been reported and in keeping with the past practices of the Assembly, I seek the unanimous consent of the Assembly to revert to the Introduction of Bills to allow for the introduction of Bill 20, Appropriation Act, 2001.

[Unanimous consent granted]

head: **Introduction of Bills**

THE ACTING SPEAKER: The hon. Minister of Finance.

**Bill 20
Appropriation Act, 2001**

MRS. NELSON: Thank you very much, Mr. Speaker. I request leave to introduce Bill 20, the Appropriation Act. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

[Motion carried; Bill 20 read a first time]

4:20

head: **Government Bills and Orders
Second Reading**

**Bill 19
Miscellaneous Statutes Amendment Act, 2001**

MR. STEVENS: It's my pleasure to move on behalf of the hon. Minister of Justice second reading of Bill 19.

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

MS CARLSON: Thank you, Mr. Speaker. We have reviewed miscellaneous statutes in conjunction with the government and certainly support what is within that bill and will be supporting it at second reading.

[Motion carried; Bill 19 read a second time]

**Bill 17
Insurance Amendment Act, 2001**

THE ACTING SPEAKER: The hon. Member for Calgary-Lougheed.

MS GRAHAM: Thank you, Mr. Speaker. I rise this afternoon to move second reading of Bill 17, Insurance Amendment Act, 2001.

The scope of Bill 17 is to provide for the regulation of employees of insurers who adjust insurance claims, commonly referred to as staff adjusters. It also provides for the attendance of witnesses to give evidence at regulatory hearings.

[Mr. Speaker in the chair]

On the first part of the bill, relative to staff adjuster licensing, it can be said that Bill 17 achieves the same objective in the new Insurance Act, which comes into force September 1, 2001, under which the regulation and licensing of employees of insurers who adjust insurance claims is provided for. Under Bill 17 the objective is achieved differently, and I'll speak to that now.

The new Insurance Act which, as I mentioned, will come into force September 1, 2001, would require employees of insurers, staff adjusters who adjust insurance claims, to be licensed as insurance adjusters similar to independent adjusters who are now required to be licensed. This was done, Mr. Speaker, to ensure that insurers' employees are qualified to handle policyholders' claims and also to ensure that such employees comply with the market conduct rules in the new Insurance Act.

In the face of this, however, insurance companies argued to government that they are in fact responsible for the conduct of their employees and that it was therefore not necessary for government to license insurers' employees to ensure compliance with the Insurance Act. Consequently, after much discussion with industry, it was decided to remove the licensing requirement for insurers' employees but still make the employees subject to the market conduct rules in the new Insurance Act.

This is achieved in the following ways: by codifying that regulatory action will be taken against the insurer who is the employer of the adjuster if the employee adjuster in the course of adjusting an insurance claim breaches the Insurance Act; secondly, it will give the minister the power to order an insurer to stop using a particular employee as an adjuster if that employee is found to be incompetent or consistently breaching the Insurance Act; thirdly, it will provide regulation-making power for claims settlement practices by adjusters.

A consequence of Bill 17 will be that it will remove the need to license over 2,500 employees acting as staff adjusters and therefore avoid the associated regulatory cost while at the same time providing an effective mechanism to ensure that employees of insurers who adjust claims are qualified to do so and that they comply with the prescribed claim settlement practices. That deals with the first part of Bill 17.

The second part, which is the provision to require witnesses to provide information at hearings, gives the minister and appeal boards appointed under the Insurance Act the power of a commissioner under the Public Inquiries Act to require a witness to attend and give evidence at regulatory hearings. This power is necessary to enable the regulator and appeal boards to gather all relevant evidence before making regulatory decisions. Similar powers are in the current Insurance Act, and Bill 17, therefore, refers to the appropriate provisions in the Public Inquiries Act to ensure that the rules for procedural fairness in that act are also applicable to the power in the Insurance Act.

That, then, Mr. Speaker, is the substance of the contents of Bill 17.

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

MS CARLSON: Thank you, Mr. Speaker. I'm happy to be participating on Bill 17, the Insurance Amendment Act, 2001. This is an interesting bill. What we have seen develop from the time that this bill was printed, had first reading, and was distributed to members here in the Legislature is interesting feedback from stakeholder groups. We've sent the bill out. We've talked to a number of organizations and other people who could or would be directly affected by this particular bill, and the longer it stays out there in the public domain, the more concerns we have coming forward from particular interested parties.

Given the nature of these concerns that are starting to come in – and some of them look like they need some additional research – we are hoping that this is one of the bills that will be held over until the fall, Mr. Speaker. We are hoping and expecting to be able to spend some time over the summer consulting more extensively with people. It looks like I'm going to need some amendments to the bill. That's what we're starting to hear out there. There really hasn't been enough time to get the details on this at this time, so it's our expectation that we wouldn't want to pass this bill in committee. [interjection] I understand what the minister is saying. [interjection] Yeah, if you want to heckle me, then I can go 20 on this, or I can go 10 if you don't heckle me, so it's your choice.

THE SPEAKER: The hon. member for Edmonton-Ellerslie does have the floor.

MS CARLSON: Thank you, Mr. Speaker. There are, as I was about to get to before I was interrupted by the minister . . .

DR. MASSEY: Which minister?

MS CARLSON: Yes, which minister is a good question. Both of them.

MRS. NELSON: Oh, name names.

MS CARLSON: I'm polite. I'm not going to go there yet, but keep it up. We could go there.

I think there are some good things in this bill, Mr. Speaker, and I do acknowledge the long consultation process that has been involved with the industry on these issues. I do think that the key substance of the bill and the overall intent of the bill, which is what we're speaking to today in second reading, is commendable.

What I did state – and perhaps the minister wasn't paying attention at that particular time – was that I thought that there were going to be some amendments that needed to be brought forward. What we find is that the most proactive way of dealing with issues like that is if we get some detail and some substance from people in the community with regard to the kinds of amendments that they would like to see, then we could work in conjunction with the sponsor of the bill and have the sponsor bring forward friendly amendments that would enhance and strengthen the legislation and would be acceptable to all parties directly affected and certainly to all members of the Legislature. So that would be the kind of progress we're looking forward to in this instance.

4:30

It's nice to see strong legislation passed in the Legislature, and sometimes an amendment or two can achieve that purpose. That would be where we would expect this particular bill to go, and it certainly would be our hope of where it would go. Our critic for

this, the Member for Edmonton-Gold Bar, is certainly willing to take a look at working with the sponsor of the bill in terms of strengthening this.

The requirement that adjusters who are employees of insurance companies need to be licensed is removed. I'm not sure that I particularly agree with that. I think that's a highlight of this bill, and I have some concerns about that in general. There was some explanation by the sponsor with regard to that, and I'm looking for more feedback from people that I have talked to about this. So that's an interesting point.

Also, it makes clear that insurers are held responsible for the actions of adjusters who are their employees. There's no doubt that all of us who have had some involvement in advocacy work at the constituency level have had issues with adjusters who are employees. So to have a flow-through of responsibility is excellent, and certainly that's a part of this bill that we can support.

That this bill also gives the minister or an appeal body the power to call witnesses to give evidence at hearings and appeals under this act seems overall to be a positive move. Certainly it seems like we have support for that at this particular point in time.

This bill is really entitled an amendment act. Amendments are supposed to be minor changes, and for the most part I think these can be identified as minor changes, and that's positive.

The licensing one I think is the key issue here and is one that people have in general supported. We've seen that this is the response to concerns heard from the industry during the debate we had back in 1999 on the Insurance Act as it was brought forward. So it's good that the government is responding to the concerns of industry stakeholders in this regard. We're wondering where the rest of those amendments would be in terms of the other concerns that were raised by stakeholders during the consultation process on this act. If we could get some explanation from the sponsor of the bill in terms of why these were not addressed, that would be helpful to us.

Some of those were eligibility on sole or primary occupations. What we heard there was that licensing regulations will no longer restrict insurance agents from engaging in other occupations except where other occupations place the agent in the position of conflict of interest. You know, scrupulous people follow these rules to the letter, and in some instances it compromises their ability to make a living or to provide services that are complementary but not in conflict. I can think of several instances in that circumstance. So that's an issue that I think needs to be addressed.

Can an insurance agent sell real estate? I don't see why not. Can they do something in direct conflict? Well, I think that's a different issue. Certainly in my constituency I have heard issues over the years where agents – perhaps not themselves, because that would definitely be against the law – have someone directly related to them, be it a close associate, a business partner, or a family member, who does engage in positions of conflict, what could be perceived or real positions of conflict. So that's a problem.

Those things have been ongoing. What we need to do is make sure that the rules are in place for those people who do like to follow the rules, Mr. Speaker. I think that's an amendment that could have been brought in here that would have been quite easy to address and include in this particular act. Government believes that a prohibition against insurance agents from engaging in other occupations is anticompetitive and a barrier to new agents entering into the insurance business, so it's another argument in favour of having included that particular amendment in this legislation. We're wondering why that didn't happen. I think they're probably right, and I think we could have supported that had we seen it come in here.

From stakeholders we hear that they're concerned that the full-

time sole-occupation provisions have been removed and is of particular concern as it pertains to the level 1 licensing of insurance agents. You know, I've had quite a bit of correspondence from people on this particular issue. I've received a number of e-mails and letters, certainly not the highest volume that I've ever seen in my time in this Legislature but enough to make me pause and go back and reread the material and hear the two conflicting sides to this story. I think that's interesting and would appreciate hearing from the sponsor of the bill in terms of how they address that particular issue and why they felt it was important to leave it out.

There's a thought among stakeholders that there's a need for beginning agents to master the foundation of knowledge and skills involved with the process, that they need to have some depth to their ability to do the job, and that consumers have the right to advice and services from an insurance provider who is fully committed to satisfying the needs of the clients. So in terms of the argument on why they shouldn't be able to multitask in their jobs, that's what we hear from stakeholders. I think that can be valid, Mr. Speaker, and we would like to see some provisions in there in terms of the length or kinds of training provided to these folks before they have the right to advise and provide service. I think there can be issues around that, and I'm sure my colleagues will talk about the education component of what could have been put in this bill at some depth. It's an issue that's also important to me. I've heard from numerous stakeholders in terms of it being an issue that needs to be addressed. So if we could get some feedback from the sponsor of the bill in that regard, that would be excellent.

We also heard that Alberta practitioners may not be able to obtain reciprocal nonresident licensing opportunities in other jurisdictions that continue to adhere to the full-time sole-occupancy rule. I'm not sure we buy that argument in this province as a reason for not having it in the legislation, Mr. Speaker, but it's something that has been brought forward. I think there are always ways around that provision if that's where you want to go, and I think there are some good reasons why other jurisdictions would take a look at them being sole practitioners based on evidence of past performance within the industry. I think that's an argument that isn't really one that I support.

We've also heard from stakeholders that Alberta licensing regulations uphold the sole-occupation requirement for level 1 insurance agents and provide that the regulator suspend, revoke, or refuse to renew a licence if during the term of the licence that level 1 agent has breached a condition of sole occupation, of course a rule that only applies if sole occupation becomes a key issue. There are, as I understand, thousands of insurance agents throughout the province, or people involved in that employment, and this could have a profound effect on their ability to make a living and perform their duties.

4:40

We've heard some instances where people who have the licensing facilities now would also like to be insurance providers. Should the sole-occupation provision be removed? I think there need to be some pretty strict rules in terms of what is a conflict and what isn't a conflict. I would say that operators of the licensing bureaus would be in direct conflict in this instance because they would have a significant advantage in terms of providing service. Then you take a look at other players in the industry, and you wonder if they don't have a direct advantage right now. People who do road testing or provide insurance and related services are a good example. I think we can use grocery stores and liquor licences. We've heard that argument in this Legislature before. It is another good example where it certainly looks like there is a direct advantage being given to a particular provider of service.

I think that should this go forward, then, there needs to be some

good thought put into what the framework for deciding what conflict of interest is, Mr. Speaker, and the question would be: who would be deciding that? Do we need to put together an advisory committee? Which ministry handles that? How long does the process take? What's the process for public debate? Does it come back to the Legislature? Is it done through regulations? I think those are all the kinds of questions and issues that come up around that kind of point.

We heard, too, from some stakeholders that they believe that a list should be established in the legislation of prohibited occupations that are deemed to expose a client to the risk of undue influence. What they say is that these precluded occupations could include professional advisers such as doctors, dentists, lawyers, accountants, mortgage brokers of credit-granting institutions, and full-time government employees. Well, you know, we would support that, Mr. Speaker, but I know this government is never going to go there. They don't do anything, or they do as little as possible, through establishing it in legislation. This is a government that likes to bring in blank-cheque bills and then decide what the rules are going to be by regulation, behind closed doors.

That was the basis for my previous comments in terms of what would be the process to establish what the rules of conflict would be. We're not going to see that here in the Legislature, and I'm not so naive, after all these years of participating in this process, to believe that the government for one second would undertake that kind of a process. Should it happen, it would be done by regulation. It would be done behind closed doors. I would hope that before the decisions were actually made, there would be some sort of a consultation process put in place.

It would be nice to see if the recommendations were made public and input and feedback provided on those prior to the regulations actually being passed by order in council. I have to say, Mr. Speaker, that that would not be in keeping with the habits or the traditions of this particular government, but it would be nice to see that it would happen. It certainly would be a point of cleanup and something that we would support seeing. It would be, I think, something that would be a very positive action for this government to undertake. So I think those are some interesting comments there.

Some of the coverage that we've seen on this particular bill has been that there are tough new insurance laws coming forward. I don't know if these are particularly tough. I think they do strengthen the bill, and that's positive in nature, but it isn't the toughest legislation, I don't think, that I've ever seen.

It is talked about as being the largest piece of legislation ever. I'm not sure that that's true either. I think we've seen some other legislation come forward that is further reaching than this, and particularly what comes forward as those kinds of comprehensive bills are amendment bills. Generally when they come forward, it is nice to see that they have gone through a relatively rigorous process in terms of involving stakeholder groups.

Given the feedback that we've had from people in the community on this, Mr. Speaker, I would like to pose the question of who the government included in their decision-making bodies as stakeholder groups, because it seems like there's a whole sector that has been missed in this process. So if we could just get that question answered before we get to committee, it would be helpful for us, because when we take a look at it, it seems like there are a few pieces of the puzzle that are missing.

I'd like to applaud the government, though, for having undertaken this review, for having stuck with it, and for taking a really old piece of legislation that in many ways was outdated, over 80 years ago that it was brought in – that is progressive and certainly good to see. If they could take that same kind of proactive approach to reducing regulations in this province, that would be an excellent step forward

and something that we could applaud. So I just applaud and support and throw that out there in terms of the government taking a look at other things that need to be reviewed.

We've got some old regulations on the books that are time consuming and cumbersome and a complete waste of people's time. Regulations and paperwork are the number one complaint we hear from small business owners, many of whom are insurance agents and who are party to those kinds of concerns. So we would like the government to consider undertaking that task now that they have completed the task of the Insurance Act. Hopefully we'll see that the sponsor addresses a couple of the amendments that we think will be coming forward from this.

One of the things that's really good about this act . . . [Ms Carlson's speaking time expired] Thank you, Mr. Speaker.

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

MS BLAKEMAN: Thanks very much, Mr. Speaker. A couple of issues that I wanted to raise around this bill. Now, I understand that Bill 17 is in fact tweaking, making a few adjustments to the major change that happened to the Insurance Act in 1999, which was about an inch thick and covered a whole change in the Insurance Act, which I think hadn't been changed since 1913 or something. This Bill 17, the Insurance Amendment Act, 2001, is a few small considerations that are being made to adjust that.

I have some concerns that flow out of what's being suggested here and flow back to what was not included in the Insurance Act, which was known as Bill 25 in 1999, I think it was, feedback from agents that I have spoken with or small brokers that I've spoken with. My overriding concern here is the small broker. What I'm seeing being proposed through the change to the Insurance Act and this amending act is a move supposedly to open this up to wider competition, but what we're moving from is people that specialized in providing insurance services to anybody else that deals with money in any way being able to do this as well.

Now, I'm painting that with a broad brush stroke, and I admit that, but we're now looking at banks offering these same insurance services. We're looking at travel agents offering the same insurance. We're looking at credit unions potentially offering these same kinds of services, or maybe they do now. I think that's making it harder for our small brokers, the small businessperson to stay alive in this market.

I think you may well have set this up to increase competition globally or with very large providers, but in doing so, I think we are making it much more difficult for the small businessperson in Alberta. I really believe that the small businessperson is the backbone of this country and the backbone of Alberta. You know, every farmer is a small businessperson, and certainly in our other economic drivers I still believe that it's the smaller entrepreneur or businessperson who really brings us forward.

4:50

A couple of huge corporations, yeah, they can throw their weight around and they look really impressive, but what kind of stake do they really have in our community? They move on so quickly, and really their alliance is probably to some head office that isn't even in the country. That is what has shaped my concerns when I look at what's being proposed in Bill 17 and, through that, to what didn't happen in the amending Insurance Act. Given that context, I want to go back and look at this.

Now, Bill 17 specifically is removing the requirement that adjusters who are employees of an insurance company need to be licensed. The quid pro quo for that was that insurers are held

responsible for the actions of their employees who are adjusters. My concern around this is that we also lost a provision around mandatory continuing education. There was no provision in the act for mandatory continuing education, which we now have in place until September 2001, when this Insurance Act comes into being. There was nothing done in the new act to allow for that, and I think stakeholders believe that the needs of consumers demand a knowledgeable, dedicated, and competent financial adviser providing a certain level of service.

Given the increasing diversity and complexity of financial services – it's absolutely bewildering now – I would prefer to see that practitioners stay current in their knowledge and skills and continually upgrade them. When you look at other areas where the government has interceded to insist on some kind of mandatory lifelong learning – that's happened in the medical professions; that's happened in a couple of other areas – why was it allowed to lapse here?

I mean, the counterargument to that is: well, employers will train their own employees who are adjusters. You know, that isn't being exposed to a diversity of opinions and new programs and challenges. That's often a sort of company indoctrination, if you like, where it's: this is what we need you to know, and that's all we need you to know. There's not an additional challenge and exposure to new ideas and concepts and practices. It's just exactly what is acceptable to the employer, who again could be a multinational who has no real commitment or stake in the local economy or in the local community.

You know, all of the Canadian jurisdictions with insurance councils either mandate continuing education requirements or are planning to, and Alberta is now going to be left behind on this one. B.C. requires continuing education, Saskatchewan does as of January of '99, Manitoba is expected to introduce it or already has, Ontario requires it, Quebec requires it, and Nova Scotia looks like it's going to go for it as well. If we look to the States, I think some 48 U.S. states have continuing education requirements. So that's a fair preponderance of examples in front of us of what others think is important, and I'm curious as to why we are not considering that as important.

I also note that the Alberta Insurance Council is opposed to mandatory continuing education. That's curious to me, because I know that the government set this group up as sort of an arm's-length DAO to regulate the industry. I'm really wondering how well it reflects the industry in fact, because certainly the stakeholders we consulted felt very strongly that they wanted the mandatory education requirements in there. Now, it's a cost to them to send their employees on conferences or seminars where they're picking this up, and they're acknowledging that that cost is important to them, and they're willing to pay it. So I'm curious as to why the Alberta Insurance Council would be opposed to it.

I mean, they're saying that disciplinary measures can be used if incompetence is demonstrated, but that's after the fact. There has already been a problem because somebody wasn't up to speed or wasn't up to code, and there has been some sort of disciplinary hearing, and now there has to be some punishment meted out, suspension or revocation of licence or even a requalification, I suppose. That's after the fact, and the consumer has already been dinged. The industry has already got a black eye. It's all after the fact, and I don't understand why there's resistance to this from the group that is essentially established to make sure that everybody keeps their nose clean in this industry. Very odd. Essentially the cost of continuing education is borne by consumers and agents, so it's not even costing these larger brokers significant amounts of money.

Now, I know that the government is on record as saying that forcing agents to keep up to date with new products and practices is not acceptable, that they think insurance agents should be required to meet tougher prelicensing requirements. Well, I'll agree with tougher prelicensing, no problem, but I strongly believe in lifelong learning and continual updating especially in a field that is moving and changing as rapidly as this one is. So there's an inconsistency in the government position there that I don't approve of.

The other area that was causing me concern – and again this is coming at it from the point of view of the small broker – is the concept of the antirebating provisions. If we're moving into this era where we have small independent brokers, you know, a one-, two-person office maybe, trying to compete with the Toronto-Dominion/Canada Trust/PriceWaterhouse conglomerate, whatever it all is now, down on the corner and a credit union a block away that has 900 outlets in Alberta, and a travel agent that's in the local mall – I don't know that that's going to be a very good competition for everyone involved. I think what happens is that people get drawn to that one-stop shopping, and in particular you end up with the little giveaways, the little incentives for people. I mean, I've never been drawn in. I've never gone to one place over another because they were going to give me something. I'm always a little suspicious about that actually because I think that somewhere along the line I'm paying for that gift, and I'd rather just have the discount.

SOME HON. MEMBERS: Question.

MS CARLSON: Go back to sleep, you guys.

MS BLAKEMAN: Yeah, I think so. Sorry I woke you all up. I'll try and talk softer so you can snooze again.

The industry had been quite clear that they did not like what's called rebating, which is part of either discounting what's going on or giving away of little . . .

MS CARLSON: They want to know if you've ever bought a coupon book.

MS BLAKEMAN: A coupon book? No. I've never bought a coupon book.

5:00

THE SPEAKER: The hon. Member for Edmonton-Centre does have the floor.

MS BLAKEMAN: Thank you so much, Mr. Speaker.

Back to rebating, which is where I was. This makes it very hard if we have a situation where we've got very large banks and credit unions and who knows what other kinds of corporations that are selling insurance having these giveaways. It makes it really hard for a small broker to compete with that. I mean, their margin of profit could be quite small on any given policy. They might be looking at a profit of \$50 or \$70 on a given policy. So they just can't be competing with a bank that's looking at giving away, you know, gold Cross pens or something.

The industry had always opposed removing the anti-rebating rule between the original act and the amending act. It was a well-established market conduct practice that was based on the principle that a company should not practise unfair discrimination between individuals presenting the same risk. That makes perfect sense to me, and it came from the grass roots. It came, in fact, from the community that was practising this and whose sector we are talking about. It's not conceived as a form of price-fixing or an

anticompetitive measure. Premiums are based on actuarial considerations, and they should not be open to competition which would undermine a pricing consistent with the insurers holding appropriate reserves.

Once again, I'm questioning why the government seems so keen to make it difficult for small brokers to keep going, in the same way that some of the practices that have been put forward by this government have made it very difficult for small farmers and family farms to keep going and seem to make it easier for corporate farms to go well.

In this particular instance, those are the concerns that I want to bring forward about the mandatory education and about the rebating.

Now, there's another section, the deposit-taking institutions: banks, loan and trust corporations, the Alberta Treasury Branch, and the credit unions. In this new Insurance Act that we're hooked to here with Bill 17, which is the act that's amending it – and then somehow they all come in together hand in hand in September of 2001 – it permitted the minister to issue a restricted insurance agent certificate of authority to a business that is a deposit-taking institution, a transportation company, a travel agency, an automobile dealership, or other prescribed enterprise. Gee, that's sure a big restriction. It named just about every kind of sector there is in Alberta. The restricted insurance agent certificate of authority authorizes the holder to act as an insurance agent in respect of classes or types of insurance specified by the minister.

Currently, loan and trust corporations, banks, the Alberta Treasury Branch, and credit unions are permitted to distribute certain limited types of credit-related products in their branches. These products are sold to credit union customers without an individual assessment of risk, and under the act loan and trust corporations, banks, the Alberta Treasury Branch, and credit unions will be required to obtain a licence to sell this limited range of credit-related insurance products. But it still puts them in direct competition with your neighbourhood independent, small businessperson insurance broker.

There is no provision in the Insurance Act that allows deposit-taking institutions to underwrite and sell insurance through their branches. Industry stakeholders are concerned that because the terms and conditions of their restricted agent certificates are left to regulation, it may open the door in the future for provincially regulated institutions like the ATB or like the credit unions to market insurance products directly from their branches. I can see it coming.

You know, those large institutions are capable of doing such massive and expensive campaigns to talk you into things. Once you get hooked into that, unless an individual takes the steps to say, "Don't send me any accompanying or related information from your agency, please," in your mailbox within a few weeks you'll start getting all kinds of related services that they're trying to sell, and it's very convincing. They're glossy brochures, and it looks really good. They can offer you all kinds of incentives on all sorts of things, and that's what we're setting up our small businesspeople to have to try and compete against. It's just not possible for them.

Now, the government has suggested that there's no provision in the Insurance Act to allow deposit-taking institutions to underwrite and sell insurance through their branches and that the restricted certificate of authority will allow them to sell a limited range of credit-related products. But there are no indications in the new Insurance Act about what types of limited insurance products these institutions such as the ATB or credit unions will be able to distribute since this is the subject of regulations. Now we're at the nub.

So once again it's been left to come in through the back door. It's been left to be developed behind closed doors by the government, and we end up with all the same ferris wheel of problems that we have for the community being able to understand what's happened and to get the information when the stuff is coming through

regulations. Everything can be changed. Then you've got to know to be watching the *Alberta Gazette* to see the order in council and then go back and track the information to find out what actually happened there.

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

DR. MASSEY: Thank you, Mr. Speaker. I'm pleased to have this opportunity to make some observations and ask some questions about Bill 17, the Insurance Amendment Act, 2001. As we're at second reading, I think it's useful as we consider these amendments to go back and look at the principles that were the basis for the original Bill 25. I think some of those principles are still supported by the amendments that we have before us, but having said that, I do have some questions.

One of the principles – and I thought it was an important principle – in Bill 25 was that the responsibility and liability for how an insurance company conducted itself, the responsibility for that behaviour, really rested on the shoulders of the directors of the company. That's, I think, a principle that deserves support as long as it is viewed in the perspective of the public interest, that they can be held responsible and that they will be acting in terms of not only their company's interest but that there's a public interest that is also part of what they accept.

Another principle that seemed to be a part of Bill 25 was the principle that there had to be in place some fairly clear procedures and ways of dealing with those who would engage in coercive or deceptive practices, and Bill 17 I think does nothing to change what was agreed upon for Bill 25.

The principle that there should be full disclosure from insurance companies and their agents again is one that we supported when Bill 25 was before the Assembly.

I think another principle was that there had to be a firm set of rules, a clear set of rules that surrounded claim practices. We've all heard of difficulties with people filing claims and those claims either being rejected or being delayed, so it was an important principle, when Bill 25 was discussed, that we felt had to be part of that piece of legislation and is. I think it's in everyone's interests that those rules are abundantly clear and particularly to consumers, because I think that's where the difficulties arise, when insurers pay for policies and then come to claim on them and find that the policy doesn't actually cover what they expected it would.

5:10

The principle that the minister has to have the power to impose administrative penalties for specific violations again is one that I think at the time we questioned and remains untouched by Bill 17, that there had to be a system of fines and penalties that were appropriate for inappropriate acts, and that those fines and penalties had to be in keeping with today's economics.

So those are some of the principles that we supported in Bill 25 and we also had questions about and had in some cases asked for amendments to make stronger.

At the time of the passing of Bill 25 we raised a number of questions for change, and they weren't ours alone. For my own information I would appreciate hearing from the member who sponsored the bill what is being done in terms of the concerns and suggestions that were made for amendments. I remember that at the passage of Bill 25 the compensation plan was a matter of concern, and there were requests at that time to make sure that the compensation plan was inclusive. Yet I don't see that having been changed in Bill 17. The plan was to be established under regulation. I should know, Mr. Speaker, but I don't. I assume that that plan has been

established through regulation, and I would ask what the stakeholder reaction was to the compensation plan.

I remember at the time their concern was that there might be some companies holding restricted agent certificates of authority who didn't have or who wouldn't obtain errors-and-omissions insurance. I think the reference used at the time was to travel agents who sell insurance as a coincidental product to their core business and wouldn't know the policy or the wordings as thoroughly. There was concern about that group of businesses like travel agents who have some exemption. It was felt that the consumers would be the ones who paid for this group of businesses not being part of the compensation plan.

To the mover of the bill: I wonder what's developed with the compensation plan. Is the industry happy with it, and are there actions taken to make sure that businesses like travel agents are part of it and thus the consumers that would deal with them would be protected?

The sharing of compensation was another concern, and there's nothing in Bill 17 that addresses the issues that were raised at the time. Some of the stakeholders thought that it opened the door to allowing unaccountable individuals who didn't have the kind of background and skill and knowledge that they should have of the industry to take control of an insurance transaction for personal gain, contrary to the interests of the consumer. That was raised, if I recall, a number of times during Bill 25 debates, yet I don't see anything in this amendment that would address those concerns.

Now, I do recall the government at the time making statements to the effect that the market should dictate how compensation is shared and then also stating that financial intermediaries such as insurance agents and security brokers should be permitted to enter into partnerships where referral fees and profit sharing is possible, but that is the other side of the fear that was raised at the time. Again, the stakeholders – and I haven't heard that their position has changed – believed that sharing of compensation should only take place when an agent shares a commission with an insurance agent who holds a licence to sell the class of insurance for which compensation is being paid. Again, a number of issues around compensation sharing that are not addressed in the bill as we have it before us now. I raise the issues, Mr. Speaker, because it was an opportunity to address those concerns, seeing that amendments were going to be brought forward in any case.

There were some other concerns in the former bill that again this bill doesn't remedy. The concerns were about unfair, coercive, or deceptive practices and that there was no detailing or defining of what those practices are. I realize the difficulty in that, trying to anticipate the creative work that can be done in terms of deceiving consumers, but there was the concern put forward at the time Bill 25 was passed that there had to be some definition. The definition doesn't appear in the act, whether or not it's through regulation, but it gave some concern, and I think the preference was that there be some defining within the act itself.

At the root of that concern about those practices was that stakeholders I think believed that just talking about unfair, coercive, or deceptive practices was too broad, and they wanted to ensure that it was made more specific. I guess the question is: were there discussions with stakeholders as the regulations were being formulated? Just exactly what was the meaning of that phrase? I'd appreciate again hearing from the mover of the bill as to what the situation is in terms of that concern. I assume that it has been dealt with in regulations and that the stakeholders were involved in those regulations and that regulation formulation. So that was another area of concern. I remember it being raised at the time and again wondering why those concerns aren't addressed in the amendment that we have before us at this time.

5:20

Mr. Speaker, Bill 17 makes really a compromise in terms of adjusters. It's a compromise that I think we support, although I do recall at the time supporting the requirement that adjusters had to be licensed. An underlying principle of this amendment is that the insurers are the ones that are responsible for the adjusters who work for them, and that is where the responsibility rests. A lot of the sections in the bill are a result of that provision being taken out, so a lot of it is housekeeping in terms of some of the subsections of Bill 17.

The removal of any reference to the need of an adjuster who works for an insurer to have an adjuster's certificate: I remember talking about and supporting that provision at the time. Obviously the industry didn't think it necessary, and this bill reflects the input from the industry. So it will be interesting to see how this turns out.

I think that with those few comments, Mr. Speaker, I'll conclude and look forward to hearing the kinds of responses the mover of this bill has to some of the issues that my colleagues and myself have raised. I think we initially saw the bill as something that could be passed quite quickly through the Legislature, and it's only in the last few days that we've had some reservations raised about provisions of the amendment. I think those reservations being raised need to be dealt with before we continue and pass the bill.

Thanks, Mr. Speaker.

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

DR. TAFT: Thank you, Mr. Speaker. Bill 17, the one before us today, makes amendments, obviously, to the Insurance Act. I think our concern is that there are other improvements that could be made to this act and that those are not being considered here. The act that it amends comes into force in just a few months, in September, and this is our last chance to make amendments to the act before it comes into force. So it would be worth serious consideration to review Bill 17 and have a look at perhaps extending the principles and the details that it addresses.

The way Bill 17 stands now, its main purpose, as we're looking at it and as I see it, is to remove the requirement that adjusters who are employees of insurance companies need to be licensed. In place of this, the bill proposes that adjusters working for insurers no longer need to be certified, but the insurer instead is held responsible for the actions of adjusters who are their employees. I can see, as the sponsor of this bill said, that this can increase accountability of the insurance companies themselves. But is that far enough? That's our question. Are we going far enough with Bill 17? Are there not other amendments that ought to be made? We believe that there are.

The bill also gives the minister the power to call witnesses to give evidence at hearings and appeals under the bill, but our proposal and our concern here is that Bill 17 needs to address some other issues.

The issue that Bill 17 does address did come to our attention during stakeholder consultations on Bill 25 in 1999. Bill 25 led to the Insurance Amendment Act. We were hearing even then – well, we of course heard many concerns. This particular one we heard was that insurance companies wanted the staff adjuster licensing provision removed even at that time from Bill 25. They felt it was redundant given that insurance companies who act as adjusters are already required to have a valid adjuster's certificate of authority, so the additional licensing requirement that was built into Bill 25 represented an increased cost to insurers that would simply drive up consumer costs. Certainly the people we were hearing from on this viewed this requirement as needless and costly, and in some cases they were even concerned that it was a possible money grab by the government by way of licensing fees and so on.

This Bill 17, to the extent that it addresses this one issue, I suppose is a reasonable compromise between the industry and the government. It does clearly outline that an insurer is the one who is ultimately responsible for adjusters who work for them. There's been a case recently sorted out in which an insurance adjuster was caught for unethical behaviour in the auto industry and I think was recently fined by the court system. I'm not sure if in that case the insurance company ultimately covered it or if it was paid out of the adjuster's personal pocket. But certainly there's room for abuse here, and I'm glad to see that this act holds the insurer accountable for the actions of their adjusters. In exchange for that, of course, the government is no longer requiring adjusters who work for insurers to be licensed.

However, the question is: is this enough of a change? Or perhaps before the Insurance Act is actually enforced this coming September, do we want to improve it a little bit further and give it some more changes? The kinds of things we would like to see considered and used to extend Bill 17 would be some kind of provision in the Insurance Act that might allow deposit-taking institutions to underwrite and sell insurance through their branches. When they do this, industry stakeholders are concerned that because the terms and conditions of the insurance agent certificates are left to regulation, this may leave the door open in the future for provincially regulated institutions such as, say, the Alberta Treasury Branches and credit unions to market insurance products directly from their branches.

[At 5:30 p.m. pursuant to Standing Order 4 the Assembly adjourned to Monday at 1:30 p.m.]

