

Legislative Assembly of Alberta

Title: **Wednesday, May 8, 2002**

8:00 p.m.

Date: 02/05/08

[The Deputy Speaker in the chair]

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

Bill 11

Energy Information Statutes Amendment Act, 2002

MR. STRANG: It is with great pleasure tonight that I move third reading of Bill 11, the Energy Information Statutes Amendment Act, 2002.

Mr. Speaker, the Member for Edmonton-Gold Bar made reference to paramountcy proposed under the Electric Utilities Act. Perhaps the Member for Edmonton-Gold Bar missed the point of the information provided to him during the briefing by the department staff with regard to the concept of negotiated settlements. It is incorrect for the member to characterize a negotiated settlement as a sort of secret deal between two parties regardless of how much they will charge a third party such as residential consumers for electricity. A more accurate way to describe a negotiated settlement is that it is a deal between many parties, all of whom are affected by the deal.

Mr. Speaker, the negotiated settlements that the Energy and Utilities Board has approved relating to electricity rates have involved a number of consumer representatives, with consumer representation generally ranging from residential to industrial customers. A negotiated settlement can be viewed as a process. It is not a decision on or approval of electricity transmission, distribution, or regulated rate tariff. The decision on what those tariffs will be is always made by the EUB even if a settlement has been negotiated.

Mr. Speaker, the EUB negotiated settlement guidelines describe negotiated settlements as "a process that is alternative or complementary to the traditional hearing process in dealing with utility related issues such as tolls, tariffs, and terms and conditions of service." For example, ATCO Electric's 2001 and 2002 transmission facility owner tariff negotiated settlement involved ATCO, representatives from consumers, and the transmission administrator. All of the parties agreed on the amount that ATCO would be paid for the use of its transmission facilities during 2001-2002. Some of the consumer representatives in this particular negotiated settlement included the Alberta Federation of REAs, the Consumers' Coalition of Alberta, which is residential consumers, the Alberta Urban Municipalities Association, the Alberta Association of Municipal Districts and Counties, the Public Institutional Consumers, which is made up of schools and hospitals, the city of Calgary, the city of Red Deer, and the city of Lethbridge. In total there were 16 parties that participated in and signed this negotiated settlement.

Mr. Speaker, a negotiated settlement is generally only filed with the EUB for approval if all or almost all of the parties are in agreement. It is also important again to emphasize that the EUB, with its public interest mandate, must approve any negotiated settlement. This means that the EUB reviews the settlement to ensure that it was fairly arrived at and that it is fair to all consumers affected by it. In approving a negotiated settlement the EUB is required to use the same criteria legislated by the Electric Utilities Act as if a traditional hearing was held. Now, the tariff must be just and reasonable, it must provide for incentives for efficiencies that result in cost savings or other benefits that can be shared in an equitable manner between the utility and the customers, and it must not be unduly preferential, arbitrary, or unjustly discriminatory.

As I've indicated, Mr. Speaker, consumers are represented during the process. This is required by the EUB negotiated settlement guidelines, which state that "all parties with an interest must be given the opportunity to participate fully and have their respective interests properly addressed."

The proposed amendment to the Electric Utilities Act included in Bill 11 only applies if the EUB accepts confidential information as part of a negotiated settlement. The provision for the EUB to accept confidential information in respect of a negotiated settlement is not new. The 10-year time frame simply provides direction to the EUB regarding how long confidential information must be kept confidential. Ten years was chosen to ensure that a sufficient period of time has passed before confidential information might be released, so that any party to a settlement is not harmed or disadvantaged by the release of this information.

Thank you very much, Mr. Speaker.

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

MS CARLSON: Thank you, Mr. Speaker. Well, I am a little put out by the Member for West Yellowhead's opening comments and the tone of his comments. We can make this an easy process tonight, or we can make it a very tough process. We've been very co-operative the last afternoon and evening, passing no fewer than 12 pieces of legislation very quickly, in all cases except for two agreeing with the government, sometimes even with reservations but still voting with them. Then we come to the opening comments on Bill 11, the Energy Information Statutes Amendment Act, which we have had significant problems with throughout debate, and we get the Member for West Yellowhead beginning his comments in a rather chippy manner. And that, you know, could lead to a number of us speaking out on this particular bill at the last opportunity to do so.

MS BLAKEMAN: I'm on fire.

MS CARLSON: There you go. It could be a long night.

We have a number of concerns with this legislation. While we understand, Mr. Speaker, that there is a need for protection of information, it's not clear that this particular bill is a necessary step, amending six acts to, as they say, contain confidentiality provisions for information gathered or acquired by various reporting entities. It's not clear that the FOIP Act endangers that information, and I can say that being one of the sitting members on that committee right now. All six acts amended here already have confidentiality provisions that can provide guidance to the FOIP office anytime it needs to make a decision regarding access or privacy, and it has been my experience in this Legislature that since FOIP was enacted, that office errs on the side of confidentiality rather than releasing excess information. What we need to remember is that FOIP is not about unfettered access to information. There are limits and guidelines, limits and guidelines that are being reviewed by an all-party committee at this moment.

Is it necessary to have this legislation? We don't think so. In fact, by bringing in this information at this time, you wonder how this affects the FOIP review that's happening right now. It is quite common in some cases for this government to make changes or bring in legislative changes just as open reviews are happening, and you have to wonder why. Is it, Mr. Speaker, because there's a lack of government confidence in the government's own legislation or in the review process? Are there doubts that the existing confidentiality provisions are enough? Are there doubts about the FOIP legislation, doubts about the FOIP commissioner? I don't think

there should be. I think that there is a proven track record of the legislation and of the commissioner in handling these kinds of areas with sensitivity. This act, the FOIP Act, was the flagship bill back in September of '93, and now it's saying through this particular bill, Bill 11, that the FOIP Act isn't adequate. So how interesting that these changes are brought in right now, as we're just starting a review of the FOIP Act.

8:10

Why can't we just wait for the review committee to meet and report before bringing in new changes? There are going to be recommendations coming out of that committee, and I wonder how the Member for Edmonton-Calder, who chairs that committee, feels about this legislation being brought in at this time. It's so bad, I think, that the government shows lots of vigilance and enthusiasm about information in the energy sector but not for the private information of individual Albertans, and we've seen many examples of that. We see them go to bat for information that's protected twice, being exempted in the FOIP Act and other current existing legislative provisions, yet the government is weak in some areas such as protecting personal health information and private information on the private sector.

Too bad that this is happening now, at this time. We have to ask ourselves the question, Mr. Speaker: if this bill is passed, what changes? How are things going to change? The only difference is that any department or entities affected would have to review their confidentiality guidelines and perhaps in some cases would be required to make a submission to the FOIP commissioner. Then that commissioner would make a ruling guided by the legislation that's there. That's why we have that act, that's why we have a commissioner, and that's why we don't need this legislation right now. At the very least, we don't need this legislation until the FOIP review has been completed.

With that in mind, Mr. Speaker, I would like to move an amendment that people have on their desks before them on behalf of my colleague from Edmonton-Gold Bar. It states that third reading of Bill 11, Energy Information Statutes Amendment Act, 2002, be amended by striking out all the words after "that" and substituting the following:

Bill 11, Energy Information Statutes Amendment Act, 2002, be not now read a third time but that the order for third reading be discharged, the bill withdrawn, and the subject matter referred to the Select Special Freedom of Information and Protection of Privacy Act Review Committee.

Mr. Speaker, I think this is a very important amendment at this particular time because this government needs to put some faith in its own committees and in the chair that it itself appoints. Wait till that review is done, and then decide at that point whether or not this legislation is in fact necessary. This is a government that always prides itself on being less government, yet here we see more interference, more legislation where we really don't need it.

With those comments, Mr. Speaker, I would urge all members of this Assembly to support this particular amendment.

THE DEPUTY SPEAKER: The hon. members are reminded that this will be called amendment A1, a deferral amendment. The hon. Member for Edmonton-Centre on amendment A1.

MS BLAKEMAN: Thanks, Mr. Speaker. I wouldn't usually have risen to comment on Bill 11, but I have to say that I was inspired by the Member for West Yellowhead. So I will rise to speak in favour of this amendment, which frankly is just making a lot of common sense to me.

I'm deeply suspicious when I see the government trying to wiggle

out from underneath laws put in place to control the reach of government and to compel the government to release documents and to be forthright about their doings. There are a fair number of acts that are being wiggled with here. We've got the Coal Conservation Act, the Electric Utilities Act, the Mines and Minerals Act, the Natural Gas Marketing Act, the Oil and Gas Conservation Act, and the Oil Sands Conservation Act, all of these having to do with a sector that's very, very important in Alberta and one to which the government has exceedingly close ties.

When we have legislation like FOIP in place to make sure that our government is doing what it should, revealing what it should, and gives the public an opportunity to get access to documents and compel the release of documents from the government, I just have to question why we would see a piece of legislation that is so eager to try to get the government out from underneath those obligations. So I'm pleased that the Member for Edmonton-Ellerslie has moved an amendment, that was proposed by the Member for Edmonton-Gold Bar, proposing that "third reading be discharged, the bill withdrawn, and the subject matter referred to the Select Special Freedom of Information and Protection of Privacy Act Review Committee."

The timing is very good for us, or perhaps we have this act before us because the timing is very interesting, what with this select special committee out touring the province and holding hearings and examining things. Maybe that's exactly why we have this legislation brought before us. The timing is certainly a point of interest and I'm sure could be a point of debate for those that are interested. Since we do have that select special committee available to us, then we should be taking advantage of it, particularly where we have legislation that is specifically looking to wiggle out from underneath the provisions that compel the government and all of those questions that follow about why these particular acts and why a sector that is so important to Alberta and that the government has such close ties to.

This, I note, is an all-party committee as well; isn't it? So we have the members from Edmonton-Gold Bar, Edmonton-Ellerslie, and Edmonton-Highlands all sitting on this Select Special Freedom of Information and Protection of Privacy Act Review Committee. Well, good. That reassures me quite a bit that there will be some thorough investigation and thorough thought going into reviewing our FOIP legislation. It's now been around for the required – whatever it is – five or seven years when we get this automatic review. I think that for the most part it's been a very useful document and a useful process to all Albertans. Certainly even the people that we get joining us in the gallery, like we have tonight, in fact can make use of FOIP as well to get access to information that they wouldn't normally be able to get access to. I'm sure there are many Albertans that are interested in why exactly these are all being proposed to be exempted from the FOIP legislation, because that is in fact what Bill 11 is looking at doing. Especially when we have a reregulation of the electrical industry and a number of changes that are being anticipated in that sector with coal and new plants plus changes that are anticipated in the oil and gas sector, there's no better time to be reviewing what's underneath this.

So I think this is a good amendment. It's certainly a timely amendment. We might as well take advantage of the organizational apparatus that is available at this point since the committee is available to meet and to consider this matter. I think this is the perfect time then to approve this amendment that's been proposed, amendment A1, and to indeed put this bill in front of that select special committee for review and a bit more delving into why these acts are being considered for withdrawal from the freedom of information and protection of privacy legislation.

I would urge members to vote in support of the amendment. Thank you.

THE DEPUTY SPEAKER: Any comments or questions?

[Motion on amendment A1 lost]

[Motion carried; Bill 11 read a third time]

8:20

Bill 13
Administrative Penalties and Related Matters
Statutes Amendment Act, 2002

THE DEPUTY SPEAKER: The hon. Deputy Government House Leader.

MR. STEVENS: Thank you, Mr. Speaker. It's my pleasure to rise on behalf of the hon. Minister of Environment to move third reading of Bill 13, the Administrative Penalties and Related Matters Statutes Amendment Act, 2002.

This bill amends five acts currently administered by Alberta Environment and Alberta Sustainable Resource Development and will ensure that regulated parties face the same administrative penalty process regardless of what laws they have broken. Bill 13 ensures that this government has consistent and efficient administrative penalty processes and is able to respond fairly, quickly, and efficiently when environmental and natural resource laws are broken. Mr. Speaker, over 45 stakeholder groups including industry, recreational groups, and municipalities were invited to consult with Alberta Environment and Alberta Sustainable Resource Development regarding the proposed changes.

Thank you, Mr. Speaker.

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

MS CARLSON: Thank you, Mr. Speaker. Happy to speak to Bill 13, Administrative Penalties and Related Matters Statutes Amendment Act, 2002. When the government brings forward good legislation, we are quite prepared and very pleased to be able to support it, and we are happy to see that the minister is addressing the need for increased and more stringent penalties. We've been asking for this for a long time on this side.

Our concern with this legislation, which still hasn't been addressed even at this late stage, is that it's at least as important if not more important to have a sufficient number of enforcement officers and the funding to support those officers. The minister can bring forward all the legislation and rewrite all the regulations he wants, but if there is insufficient staff to monitor and enforce, then the legislation means nothing. So we do have some concerns about that. This government's reliance on self-reporting is also a problem. We think that there should be more random spot checks or else a significant increase in the penalties for failure to report while self-reporting, but we don't think that it replaces officers and random inspections. Especially as we see this province having an increased pace for resource development, it becomes increasingly important that enforcement be carried out.

We're very happy to see the provision in this bill that increases the personal responsibility for directors for the work done by their companies. It's nice to know that they can't hide behind corporate structures with this legislation. I look forward to seeing how this actually plays out in the business world.

Overall, probably two and a half steps forward and half a step backwards, so we're quite pleased to support this bill and support a call for the question at this time.

[Motion carried; Bill 13 read a third time]

Bill 14

Gaming and Liquor Amendment Act, 2002

THE DEPUTY SPEAKER: The hon. Minister of Gaming.

MR. STEVENS: Thank you very much, Mr. Speaker. It's my pleasure this evening to rise and move third reading of Bill 14, the Gaming and Liquor Amendment Act, 2002.

As I've stated on a number of occasions, Mr. Speaker, integrity is paramount to the Ministry of Gaming. The Gaming and Liquor Act provides a framework for integrity, and the amendments contained in Bill 14 will ensure that this framework is updated and improved upon. It includes broadening the Alberta Gaming and Liquor Commission's ability to impose sanctions against licensees and registrants who have violated the act as well as strengthening the authority of the Alberta Gaming and Liquor Commission's board to direct that funds raised through charitable gaming activities are used in an appropriate manner.

Bill 14 is a sound piece of legislation, Mr. Speaker, and it will help to ensure that Albertans continue to receive the maximum benefits from gaming and liquor activities in this province.

Thank you.

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

MS BLAKEMAN: Thanks, Mr. Speaker. I'm glad to have the opportunity to rise in third reading and debate the anticipated effects of Bill 14, the Gaming and Liquor Amendment Act, 2002. This is a bill that I think has both good and bad in it. That might be too black and white a description. It has both useful and curious parts to it. Certainly I don't object to the minor housekeeping and sanctions that are put in place that allow the commission to better control and fine and get access to premises and ensure that they're able to follow through and chase down people that should be receiving fines: that sort of thing. I have no difficulty with that.

There are some other areas that have come out of the gaming review that I think are contentious. One example that springs to mind fairly quickly is the paid workers that are allowed through this act. Prior to this all who worked bingos and casinos and things – particularly bingos, I think – were volunteers. What will be enabled through this and actually through the regulations that flow from this is allowing a charity or a nonprofit group to pay the floor workers that are selling the bonanza tickets and the odds and evens and those other tickets for them on the floor. This is an issue for some groups that are small and want to concentrate their volunteer resources on doing whatever their particular activity is.

I think that when I spoke in second reading, I was talking about a very small theatre group that I support here in Edmonton called Azimuth Theatre. Since then I've tabled a number of letters from various organizations – the Evergreen association and the Vic Redmen cheerleading squad – supporting the ability for their groups to pay people to work the bingos for them.

I still have the concern. I've raised it; I put it on the record during debate of this bill. I'm not relieved or assured by the minister's response, because I do feel that this sets up another distancing from the charitable model. The minister is very fond of talking about this charitable model, but I still have concerns that the further the groups are allowed to move away from what was the original charitable model in Alberta, the easier it becomes for the government to use the argument: well, we're so far away from that original charitable model that really this charity shouldn't be getting the full amount of the proceeds of a given bingo or a given raffle or whatever; they should be given only part of it, or it should be prorated on the

number of volunteer hours that are going into raising this particular money at this particular activity or other scenarios like that. Certainly for the nonprofits in Alberta that are depending on those revenues to support what they're doing, every penny counts there. I wouldn't want to see them put in a position where for some reason they were now getting less of the proceeds.

That whole question of the charitable model that we have in Alberta: we're the only one that really has exactly this one, and it's by far the most focused on the charity. You know, other provinces each have their own scheme, and they each manage to work fairly well, it's my understanding. I've always felt that ours was the best because it remained rooted in the community and with the volunteers, but it does require a great deal of effort from those volunteers.

8:30

Overall, what we have in this legislation are a number of house-keeping and regulation-keeping changes. There's a section where it's correcting omissions from previous legislation where they could go and find someone who was contravening their liquor licence but they couldn't get at them if the person had gone out of business or in fact if they were conducting business before their liquor licence start date, and this allows some very specific sanctions to take place there. But as I said, there are some other things that make me uneasy.

There's been some discussion as well about having a privative clause in here which would apply to the commission. I personally am less concerned about that in this case, but I know that there are others that felt very strongly that a privative clause, whenever it appears in government legislation to do with a government commission or agency, should be strongly challenged. I certainly raised that point while we were debating this in earlier stages of the bill, and essentially that's section 35 of the amendment act, "A decision of the board under this Act is final." In fact, I think you can still appeal this to a criminal court or a civil court if you want to, but it's meant to stop a sort of never-ending series of appeals by individuals going back to the commission over and over and over again not because the decision was wrong but because the people are unhappy with the decision that was made and somehow want it to be a different decision. This was just to say: "No. The decision that's made is final, and you can't go anywhere else to get it changed."

In fact, I think you can always go into the courts if you wish to get it changed, but then it's on your dime, and certainly for charitable groups that's very, very difficult for them to do. They only have enough money to carry out their activities, and some would argue that they don't even have enough money to do that. So the thought of trying to chase something through the courts is beyond what most groups would be capable of doing, and therefore that's the end of it. Justice is not carried through, simply because people can't afford to do it. There are some that feel very strongly that that privative clause shouldn't be in there. I'm less concerned about it in this case, but I think it's always worth raising the concern.

The act is renaming the VLTs and the slot machines to come under one name called "gaming terminal." Now, I've already raised my concern with the minister that that not be a sneaky way of getting out from underneath the caps on the number of machines, because they specifically talked about VLTs or slots and I didn't want this to be a way to wiggle out from underneath that. The minister has responded to that, and we have him on record there. So I have to assume that that one is going to be okay.

We have the section in here that's gotten the most publicity, which is about minors now not being allowed in areas where there is drinking going on. So if they could have been allowed into a casino before and now it's licensed premises, of course the minor would not

be allowed onto the premises. The result of that is that if you were using that minor as a volunteer, you can't do it anymore, but frankly since they introduced liquor into the casinos some six, seven years ago, that would have been the case for minors from that point on anyway.

So there are some things in here that need to be done and other things that I wanted to put on record that we need to watch, and we need to hold the government to what it's put on the record here in response to my questions to make sure they stay on the straight and narrow there.

I did raise the case of my constituent businessperson around what was happening with the sort of monopoly tunnel that happens with the liquor side of the Gaming and Liquor Commission and the distribution centre there. It does come into a narrow point through the distribution warehouse, and that can cause some problems. So I'm still awaiting a response from the minister on that one that I can pass on to my constituent.

Beyond that, it's hard for me to wholeheartedly support what's in this legislation, but there are a number of things that we need and that allow the commission to carry on business as it's needed. I'm just always on guard that we are not allowing changes to be made that would lessen the importance of the charities and that would lessen their standing or take away any of their opportunities to generate additional income for themselves. This is a business where you can make a heck of lot of money, and I think we always have to stand on guard in Alberta to make sure that the money is going to flow back to the charities and not flow to operators or other people that get involved in the stream here.

With those comments, I'll thank you for the opportunity to speak in third reading.

[Motion carried; Bill 14 read a third time]

Bill 15

Dairy Industry Omnibus Act, 2002

THE DEPUTY SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

MRS. McCLELLAN: Thank you, Mr. Speaker. I am pleased to move third reading of Bill 15, the Dairy Industry Omnibus Act, 2002.

As all members know, this is really, aside from doing some necessary cleanup in the act and housekeeping, turning over the authority to manage the affairs of the dairy industry to the industry themselves, a very positive move. They have proved over the years and to now that they are certainly mature enough and competent to do this.

I do want to take this opportunity, Mr. Speaker, in third reading to thank my colleague the hon. Member for Drayton Valley-Calmar for his work on the bill; he has put in a lot of time. To all of the members who have spoken on the bill, our appreciation for your comments, suggestions, and I believe support for this move.

Thank you, Mr. Speaker.

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

MS CARLSON: Thank you, Mr. Speaker. Happy to have an opportunity to speak at third reading to Bill 15, the Dairy Industry Omnibus Act, 2002. I believe I've been present for the debate on Bill 15 at the various stages and have heard I think a good definition of what the act intends to do and the various responses, questions,

and feedback, and it seems like we are in agreement with the minister on this particular bill. Hopefully it works out as well as is anticipated. If not, I'm sure that we'll be back here. Hopefully the milk board will be able to fulfill its duties as outlined here, and we look forward to monitoring progress on this particular piece of legislation and its outcomes.

So with that, we will support this bill.

THE DEPUTY SPEAKER: The hon. Member for Drayton Valley-Calmar.

REV. ABBOTT: Thank you, Mr. Speaker. I just wanted to rise today to respond to some additional questions that were raised during Committee of the Whole on the Dairy Industry Omnibus Act, 2002. There appear to be three areas identified which require further explanation, so I'd be happy to do that for my colleagues as well as those on the opposite side of the House who asked the questions. First of all, consumer concerns about competition in the market; secondly, producer entry into the industry; and thirdly, consumer input into the decision-making process.

I'm just going to touch briefly on the first question of competition. As we speak, there are 18 dairy-processing companies operating in the Alberta marketplace, a number, I suggest, that bodes well for competition. So this is definitely not a monopoly situation, and I remind members that it is not these processing companies who set the price of fluid milk, the milk that ends up on our cornflakes or our Cheerios; rather, it is the Alberta Energy and Utilities Board which will continue to set that price.

8:40

In regard to the price of milk for processing, that is negotiated between producers and processors. Those prices reflect market conditions and allow both producers and processors to earn a fair return. Now, as far as the industry is concerned, there are certainly opportunities for those producers who have set their sights on entry into the dairy industry. Last year alone we saw 14 new producers join Alberta's dairy industry.

There is no doubt, Mr. Speaker, that there is a high cost associated with dairy farming. However, I would argue that buying a quota is no more cost prohibitive than buying a large grain farm, especially when you consider the cost of land and the cost of equipment. I have heard the comparison that buying a quota is very much like purchasing a franchise. There is a cost associated with the stability in income associated with supply management in the same way that there is a cost associated with buying a brand name company like, say, Tim Hortons for example. These dairy quotas are bought and sold in the open market, and the new board will not be involved in those private transactions, only in licensing of the new producers.

Then the third and final area of questions on this legislation dealt with consumer input into the decision-making process. Certainly under this legislation consumer interests will continue to be protected. This board will be operated in a similar fashion to all other producer boards in the province, including chicken, turkey, and eggs, and I think you will agree that there have been no serious concerns raised about the lack of responsiveness to consumers in these areas. An industry advisory committee with both producer and processor members will be set up under the new board. The committee will look at a broad range of policy issues including consumer concerns such as food safety and quality and will make recommendations back to the board. In that way, the new board will be well informed of changes in the industry, including changing consumer preferences and demands. The new dairy board will still operate under provincial legislation. It will be supervised by the

Agricultural Products Marketing Council, which reports directly to the hon. Minister of Agriculture, Food and Rural Development.

Mr. Speaker, that concludes my research and response into questions raised during Committee of the Whole. In closing, I'd just like to acknowledge the hard work of the governance team members who worked on this project. That team includes dairy producers and processors as well as staff from the departments of Justice and Agriculture. Their time, energy, and commitment were invaluable. This truly was a team effort, and the results are the legislation that we have before us today.

I urge all my colleagues to support Bill 15 in third reading as we move forward into a new chapter in Alberta's dairy industry. Thank you, Mr. Speaker.

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

MR. MASON: Thank you very much, Mr. Speaker. I am pleased to rise to speak to third reading of Bill 15, and I accept the undertakings of the government and the minister that the dairy industry is fully capable of operating the system that is currently operated largely by the government and that we will continue to have an efficient dairy industry in this province and that we'll continue to get good milk, good prices.

I take some solace from the hon. Member for Drayton Valley-Calmar's assurance that the EUB will continue to regulate milk prices. Actually, I did not know that it was the EUB that regulated milk prices, although I knew generally that milk prices were in fact regulated. I hope that the government does not go off on another misadventure and deregulate milk prices in this province, because to be sure, in the short term while they're bringing on additional supply, Mr. Speaker, we would see sudden spikes in milk prices. There would probably be additional user costs that everyone would have to pay for milk prices. We would probably have people from one herd having to sell all of their milk to someone who owned another herd, and the person who owned that herd would have to sell their milk to the other herd. There would be a balancing pool in which the milk would flow in and out, but if there was a shortfall, then of course the costs would be passed on to the consumer or to the 7-Eleven store, whichever is first, but the Premier wouldn't know anything about it.

MS CARLSON: How much would it cost in an election year?

MR. MASON: The other problem, of course, would be that preceding an election year the government would insist that the milk producers sell the milk for less than they paid for it, but they could make it up in the two following years after the election. So, Mr. Speaker, I am taking great, great relief with the assurance of the Member for Drayton Valley-Calmar that milk prices will continue to be regulated in the province of Alberta.

Thank you.

THE DEPUTY SPEAKER: The minister to close debate?

[Motion carried; Bill 15 read a third time]

Bill 16

Racing Corporation Amendment Act, 2002

THE DEPUTY SPEAKER: The hon. Minister of Gaming.

MR. STEVENS: Thank you very much, Mr. Speaker. It's my pleasure to rise and move third reading of Bill 16, the Racing Corporation Amendment Act, 2002.

This legislation is as a result of the racing industry in Alberta approaching the government with unified voice requesting certain amendments. Particularly there is a restructuring and renaming of the governing body of the industry to speak and act with one voice, thereby enhancing the industry's ability to manage and promote itself effectively. Bill 16 also has new reporting requirements that will broaden and strengthen industry accountability. The industry is required to submit three-year business plans complete with performance measures and report annually against these plans. Bill 16 meets the needs of the industry stakeholders and this government.

Thank you.

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

MS BLAKEMAN: Thanks very much, Mr. Speaker, for the opportunity to speak in third reading on Bill 16, the Racing Corporation Amendment Act, 2002. You know what? I've looked back over my notes and the questions I've raised and the few answers that I received from the minister and I remain unconvinced that this is in the best interests of all Albertans. I understand that the industry itself approached and asked for a number of these changes and the restructuring, but frankly when I looked at this, they restructured so there was supposed to be more of a balance between the horse owners' wishes and the others that are involved in the industry. You know, they expanded the number of members that are on the board, but then they expanded the number of opportunities for the horse owners to hold a seat on the board. So I don't think we got any further ahead there, and I don't see a balance coming out of this. The inequities that they were concerned about seemed to have been carried over but in a slightly different proportion. Nonetheless, they are still there.

Some of the concerns that were outlined by the Auditor General have in fact been incorporated in here around reporting requirements, in fact giving the ministry and the gaming commission the ability to direct the activities and the reporting and to compel a business plan, which the AGLC was struggling with in the previous incarnation, the Alberta Racing Corporation, in which the racing corporation just wouldn't listen to what was being asked of them and resulted in the AG putting in some fairly pointed remarks in his report.

My major concern about this bill is that it's trying to inject money into an industry whose day has passed. Some would use the words "propping up an industry whose day has passed." Well, okay. That's probably fair.

AN HON. MEMBER: It's a rich man's hobby.

8:50

MS BLAKEMAN: Yeah, it's a rich man's hobby.

It seems out of step in today's Alberta, where we're trying to have better access for more people or moving things into a very — it's either general access for people or it's very exclusive. In many ways this is very exclusive, and the government is helping it to be very exclusive. If the real concern here was that it's a labour-intensive sector and there were a lot of people that had employment from this area, okay, but what's in Bill 16 is not going to improve their circumstances one bit. So if we were really looking for improvement for those working people and their conditions, this wasn't the way to do it.

We have an accompanying budget line item that injects \$33 million a year into the racing industry through this Horse Racing Alberta. This just isn't going over very big out in the population. I've had a number of calls. I know that other MLAs have as well. Actually, people are pretty outraged about this.

As usual, I see the government coming in to inject money into this sector too late. It's moved on. It's changing, and when I look in other places to see what's happening, the industry is globalizing, if you want to call it that. The smaller centres are making use of technology through simulcast. The betting that's happening, yes, it's happening in Edmonton, but they're betting on races that are simulcast out of the United States or Europe. Our actual racing, you know, hooves on ground, is diminishing here in Alberta, and those people that are riding and grooming and training aren't going to see much benefit coming out of this bill, but those that are owning horses will probably see a fair amount.

I've raised this issue outside of the House, and it's been raised a number of times in the media, and the response is: "Well, you know, these were friends. What's wrong with that? It's a little bit of entertainment." Well, it's a lot of money for someone's little bit of entertainment; let me put it that way. I just can't support this bill. I don't think that this is a smart approach, and I use that in quotations.

The government is very fond of saying: let's use technology; let's be global; let's get ahead of the game here; let's be competitive. That's not what I see in this bill. What I see is: quick; let's go backwards; let's entrench our privilege and try and make it law and protect ourselves. We're not interested in this anymore, and I think all this bill is going to end up doing is entrenching something that dies or shrivels all that much faster, and in the meantime Albertans will have forgone the revenue that's coming out of the slot machines that are in these racing entertainment centres. They will have forgone that revenue that could have been used for a number of other worthwhile community ventures for a number of years until finally it's obvious that it's just not a viable industry anymore. I think that at this point it is viable, but it needed to reinvent itself, to rejuvenate itself in a different way. This is not the way. So I'm not recommending support of Bill 16.

Thanks very much.

THE DEPUTY SPEAKER: The hon. minister to conclude debate?

[Motion carried; Bill 16 read a third time]

Bill 18

Social Care Facilities Review Committee Amendment Act, 2002

THE DEPUTY SPEAKER: The hon. Deputy Government House Leader on behalf.

MR. STEVENS: Thank you very much, Mr. Speaker. It's my pleasure to rise on behalf of the hon. Minister of Children's Services and move third reading of Bill 18, the Social Care Facilities Review Committee Amendment Act, 2002.

Thank you.

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

DR. TAFT: Thank you, Mr. Speaker. I have spoken at earlier stages to this bill, and the more I read the bill and the more I consider it, the more concerned I am about it and the more strongly I am opposed to it. The effect of this bill in substantial ways I think is to gut the Social Care Facilities Review Committee. The bill removes inspection abilities from the committee. It brings the committee under much closer purview of the minister, so its independence is reduced, and generally the ability of the committee to do the job that

it was envisioned doing when it was first formed is I think greatly restricted.

I can give some examples as I've gone through the bill. I think of the effect this is going to have under the mandate that has served the Social Care Facilities Review Committee for the last 20 years or so. They've had the ability to go into child care facilities "in which care, supervision or lodging is provided for 4 or more children under the age of 18." That could have included potentially the day home in St. Albert that's the source of some controversy. No longer will that be a possibility, and I think that's unfortunate. I think our kids, regardless of the size of the facility they're in, deserve the right of a certain amount of protection.

There are also a number of other facilities that are removed from the purview of this committee: emergency shelters, residential alcohol and drug abuse treatment centres. Those were facilities I know that members of this committee at one time visited and visited on behalf of the people who used those facilities and tried to understand how those facilities were functioning from the perspective of the residents getting treatment in those facilities.

Let's see. Will day care be covered? Yes, a day care facility is covered, so that's good, but group homes for the physically and mentally handicapped may not be and various other centres may not be either. So I'm concerned as I'm reading this act and in discussions that I've had with the minister before that we are reducing the number of people and the number of facilities that could benefit from the protection of this committee.

I also note the tightening of the minister's hold on the committee. There will be a new section added, as it says in the legislation, to emphasize that the committee is accountable to the minister. The very early vision for this committee was that it would be accountable to the Legislature, and unfortunately that's being lost. My concern is that sometimes the minister needs to have somebody watching over his or her department, and we're going to see less and less of that now, and we'll see either a committee or a watchdog that only operates at the behest of the minister rather than watching the minister's activities directly, so I am concerned about that.

Beyond that, the legislation removes the ability of the committee to investigate complaints. The old act read:

If a complaint is made to the Committee by or on behalf of a person in a facility, the Committee shall investigate the care and treatment and the standards of accommodation received by that person.

That whole section is now repealed, so the capacity of this committee to investigate complaints is going to be if not eliminated certainly seriously reduced, and that's unfortunate. I bet we all get calls as MLAs from people who are wondering who will investigate a particular kind of facility, and it's nice to have a committee like this to refer people to. It's not clear now that that will be their role. In fact, the role of this committee, the ability of this committee to investigate complaints and to appoint complaint officers is removed. Section 13 of the old act allowed the committee to designate "a member of the Committee" or indeed "an employee of the Government . . . under the administration of the Minister" to act as a complaint officer. That's gone, and I know there was a time when this committee would work with the department and select highly qualified professionals from within the department to help them investigate complaints. That's gone now. What's the benefit of that? Who's going to benefit from that? Certainly not the dependent people who are in the facilities that are under this committee.

9:00

Beyond that, the new act will then require the committee to report to the minister after a visit or investigation is made. Again, that seems just like a bringing of the committee under the direct control of the minister, and I don't think that's healthy. I think every government, this government and every government, needs to have

people watching out independently for its actions and watching out independently of the government on behalf of the people under its care, whether that's the Children's Advocate, whether it's the Social Care Facilities Review Committee, whether it's the Health Facilities Review Committee, or whether it's the Ombudsman. It's a principle that we should be strengthening, not weakening, yet what are we doing in Bill 18? We are weakening that principle.

So, Mr. Speaker, because this reduces the capacity of this committee to investigate complaints, because it narrows the scope of facilities under the committee, because it brings the committee much more directly under the minister rather than under this Legislature, I remain unequivocally opposed to Bill 18, and I would urge all members to join me in opposing Bill 18.

Thank you.

[Motion carried; Bill 18 read a third time]

Bill 19

Veterinary Profession Amendment Act, 2002

THE DEPUTY SPEAKER: The hon. Member for Lac La Biche-St. Paul.

MR. DANYLUK: Thank you very much, Mr. Speaker. I am very pleased to rise today to move third reading of Bill 19, being the Veterinary Profession Amendment Act, 2002.

In conclusion, I wish to acknowledge the significant contribution of the Alberta Veterinary Medical Association, which worked closely with the staff of Alberta Human Resources and Employment to develop these proposed amendments to the Veterinary Profession Act.

Thank you.

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

MS CARLSON: Thank you, Mr. Speaker. I am happy to speak once again to Bill 19, the Veterinary Profession Amendment Act, this time in third reading. I think basically we are in agreement with it. Am I correct in assuming that we still have the pharmacists onside with this particular decision? That was of course our main outstanding concern about it. Other than that, things seems to be in order with it, and we'll see how it unravels as time progresses. I'm sure that if people have concerns, they will bring them forward to us, and we may see any tightening up or cleaning up of this bill come forward hopefully in nothing more than a miscellaneous statutes act, which would be minor kinds of changes to it.

So with that, Mr. Speaker, I will take my seat, and we will agree to support this bill at this particular time.

THE DEPUTY SPEAKER: On Bill 19, the hon. member to close debate.

MR. DANYLUK: Thank you very much, Mr. Speaker. I'd just encourage everyone to support it. Thank you.

[Motion carried; Bill 19 read a third time]

Bill 20

Justice Statutes Amendment Act, 2002

THE DEPUTY SPEAKER: The hon. Deputy Government House Leader on behalf.

MR. STEVENS: Thanks, Mr. Speaker. On behalf of the hon. Minister of Justice and Attorney General it's my pleasure to move third reading of Bill 20, the Justice Statutes Amendment Act, 2002.

This bill deals specifically with six pieces of justice legislation ranging from civil enforcement to the administration of traffic ticket fines. Most of the amendments to the act in this bill are of a housekeeping nature and were the subject of substantial debate in second reading.

Thank you.

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

MS BLAKEMAN: Thanks, Mr. Speaker. I'm pleased to have the opportunity to rise and speak in third reading on Bill 20, the Justice Statutes Amendment Act. I did have a goodly amount of time to be able to bring forward concerns and discuss what's being changed under this act, although that was appropriate because there's more than one act that's being changed by this bill. In fact, there are eight different acts that are being changed. Under the old Standing Orders in fact we would all have had half an hour to debate this in each stage. Because it was changing more than two statutes, it would be considered an omnibus bill. Actually, I think the government got off easy in the amount of time we debated this considering how much time it would have been debated as eight separate acts.

Essentially the bill is amending civil enforcement, fatal accidents, interpretation, limitations, motor vehicle accident claims, provincial offences procedure, public trustee, and survival of actions. Under the Civil Enforcement Act for the most part those revisions were remedial and appropriate. In the Fatal Accidents Act the changes were substantive and I think positive. The corollary act, the partner act to that was the Survival of Actions Act. Certainly that was contentious. Nonetheless I think the right steps are being taken with those two acts in combination. I think that's the best legislation and serves Albertans the best.

In the Interpretation Act the changes are relatively minor and positive. In the Limitations Act the changes are more substantive. Some people feel that they're problematic; others feel less so. Unfortunately, at this time I think only time will tell as to whether that precludes people from being able to bring forward actions because they've passed the limitation or not. I hope we've done the right thing here, but as I say, I'm not sure, and I think time may tell on that one.

In the Motor Vehicle Accident Claims Act the changes are again positive and I think remedial. The Provincial Offences Procedure Act: now, I had questioned the government pretty closely about this, because this is where the government is able to claim back some money for the administration of collecting fines on behalf of municipalities. They needed a way to be able to pay their administration costs, and that's what is being done here. There was some concern on my part that this would affect the amount of money going into the victims' fund, but in fact the minister came forward very quickly and pointed out that it would actually increase the money because the percentage that is always taken off the top for the victims of crime fund is now being taken off a larger amount as a result of the changes being made here. So I'm happy to support that.

9:10

The Public Trustee Act again was controversial because there were concerns there about whether the guardians of minors could be pushed or manoeuvred into allowing an action to commence before the minor reached 18. The other side of that argument is that it now equalizes the position of a minor with a guardian and a minor that doesn't have a guardian. They're now in exactly the same position.

For those young ones that have a guardian and a trustee, if someone did want to bring an action against them, both the guardian and the trustee would have to be notified. I think that gives a counterbalance and an opportunity to make sure that a minor is not taken advantage of. Now, that is in combination with the Limitations Act, and I still have a little hesitation about that, but overall I think it should be fine.

So there is quite a bit of cleanup, housekeeping, minor and major changes that have been made under this act, and I'd prefer to see these come forward in smaller pieces. There's always the chance when they get clumped together like this that we miss something and as an Assembly embarrass ourselves. But I know that different bits and pieces have either been brought forward by the Alberta legal research institute or have been brought forward as a result of a legislative review or a review by the Law Society or various other legal bodies, so I'm sure those changes and what was proposed under those processes should be fine.

I did propose an amendment really for clarification and ease of administration, and in fact it was accepted. Rather than putting in a five-year review following from proclamation – you know, who knows when proclamation is going to be, and it's not written in the act, so it's very hard to determine when your clock started ticking to know when in fact it's going to stop ticking and you're at the next review point. The amendment just asked that a specific date be put in, and in fact that date is June 1, 2002, so we now know that the next review must happen by June 1, 2007. That amendment was accepted.

I know that there are still lawyers and some members of community groups, in particular MADD and PAID, Mothers Against Drinking Drivers and People Against Impaired Driving, that were not happy about the changes in the Fatal Accidents Act and Survival of Actions Act. They wanted to be able to use that combination of statutes to bring retribution upon people who had caused the death in particular of a child. But as I said during the debate, I think there are other ways to do that that are better suited to it. In fact, if a punitive measure is what's being sought, there are other ways to do it. I didn't think that this was appropriate. I think that what they gave us in the Baddeley case was a wake-up call to write clearer legislation. Certainly the courts are entitled to do that. When they see something that they don't think is very clear, they can bounce it back to us. In essence that's what happened here.

So I hope that what we've done clarifies it and that it will stand the test of time. I think it is an improvement. None of us ever want to contemplate losing someone, particularly an individual who is the breadwinner, the economic provider in a family. We want to make sure that the family is protected and that they have access to all possible programs that are in place for them. The Fatal Accidents Act does give us a set amount of money that takes a lot of worry out of the process. You don't have to go to court. I mean, as soon as you've established the facts, that's it; the amount of money is available for you. And it's a substantial amount of money at this point. The amounts are being raised to \$75,000 for an adult and \$43,000, I think it is, for a minor. I think that's appropriate.

So after careful consideration I'm willing to support Bill 20, the Justice Statutes Amendment Act, in third reading. Thank you.

[Motion carried; Bill 20 read a third time]

Bill 21

Alberta Personal Income Tax Amendment Act, 2002

THE DEPUTY SPEAKER: The hon. Minister of Finance.

MRS. NELSON: Thank you, Mr. Speaker. I'm pleased to move

third reading of Bill 21, the Alberta Personal Income Tax Amendment Act, 2002.

This bill combines a lot of harmonization between our own tax legislation and the federal tax legislation through our tax collection agreement. It's fairly straightforward. I reread the *Hansard* for the debate and the dialogue. It does move us into a compatible relationship with the federal tax. It also deals with the situation with the NHL tax.

I would ask hon. members to support this bill in third reading.

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

MS CARLSON: Thank you, Mr. Speaker. Happy to speak to Bill 21, the Alberta Personal Income Tax Amendment Act, 2002, in third reading, more commonly known as the hockey tax. This is an interesting bill.

MR. MASON: That's an offside comment.

MS CARLSON: An offside comment, thank you, for someone who doesn't like hockey. I know that it's not an Alberta sentiment to not like hockey, but in fact I think it is one of the most vicious and obnoxious games that there are. Having said that, I still defend them in terms of the government having their hands in their pockets too. It just seems to happen that every time we turn around, that where the government's hands are.

There doesn't seem to be much opposition to this, and it's interesting to note that the government spins this as an attempt to provide funding for Alberta's two major professional hockey teams without involving direct taxpayer money and that the administration costs will be withheld from the teams to cover the costs of implementing the tax.

So I guess we're going to see what happens with this one, like we do with all the others, see what this tax grab actually looks like. Thank you, Mr. Speaker.

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

MR. MASON: Well, Mr. Speaker, just very briefly. I can't let the offside comments of the hon. Member for Edmonton-Ellerslie slip through my glove. I just want to indicate that I'm as patriotic an individual in this country as anyone else. I also want to indicate that once again my concern is that the government needs to be taking more active measures to keep NHL hockey in Edmonton and Calgary than just this particular tax. I remind the government that when Edmonton provided assistance to Mr. Pocklington, it was in exchange for a signed, written agreement that the team would have to stay in this city or be offered first of all for a fixed price to local investors. That agreement in fact was triggered despite the attempts of the owner at that time to sell the team. It has remained in Edmonton. It has proven its value, but it is running out in 2004. It might be a good centennial project for the government to find some way to prolong that agreement and extend it perhaps to the Calgary Flames as well.

9:20

This particular tax is another one of the nontax taxes that the government said that they would never bring in. Like the smoking tax, to which there's very little public opposition, it's very hard to be against taxing rich hockey players from out of town. I'm not going to do that, but I am going to say that the government, in providing

assistance to the hockey teams, ought to consider what it gets in return, and that ought to be some extension of the agreement to keep the NHL teams in Alberta. If we have a strict free market system when it comes to hockey, our teams could go the same way that the Winnipeg Jets and the Quebec Nordique went.

Thank you, Mr. Speaker.

[Motion carried; Bill 21 read a third time]

Bill 22

Tobacco Tax Amendment Act, 2002

THE DEPUTY SPEAKER: The hon. Minister of Finance on behalf of your colleague the hon. Minister of Revenue.

MRS. NELSON: Thank you very much, Mr. Speaker. I am pleased to move Bill 22, the Tobacco Tax Amendment Act, for third reading on behalf of the hon. Minister of Revenue.

There has been a very good debate on the bill and I believe good support within this Legislature. The amendments contained in this bill will increase tobacco taxes, which is part of the overall tobacco reduction strategy that has been put forward. The amendments will also help to equalize the tax rate on loose tobacco and increase the tax on cigars. In addition, there are provisions that tighten up the control to reduce the ability to smuggle tobacco products into the province. We are also delighted to see, Mr. Speaker, that other provinces have followed suit in their quest to reduce tobacco use and to try and guide our young people from the use of tobacco by increasing their taxes at least across western Canada, and we understand that the move is moving east.

So I'd like to again on behalf of the Minister of Revenue ask for the support of the House for third reading of Bill 22.

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

DR. TAFT: Thank you, Mr. Speaker. We have had, as the minister has indicated, reasonably good debates on this bill, and I think we will be supporting it. It's a case where we took two steps and we could have taken a couple more. I would have liked to have seen a couple more. The steps we've taken are to raise the price of tobacco, which will discourage smokers and especially I think discourage young kids from starting smoking, a commendable and important step forward. I think it is encouraging some people to quit smoking, and that's commendable.

My hope, which grew briefly through the fall and I suppose through January, and in fact one of the things that I actually agree with in the Mazankowski report is the notion of a wellness fund and boosting wellness.

THE DEPUTY SPEAKER: Hon. Member for Drayton Valley-Calmar, you have a seat. Please remain in it.

DR. TAFT: Thank you, Mr. Speaker. The revenue from this tax will be in the range of \$300 million, I believe. When we put that in the perspective of the total provincial budget, of course every dollar counts; every billion counts. In fact, it would have been – what is that? – hardly 1 percent, 1 and a half percent or something of the total budget and less than 5 percent of the health budget.

If that \$300 million had gone into a wellness fund – and I would urge the government to consider this for next year – we could have had I think a genuinely revolutionary effect on the wellness initiatives, the wellness programs and business of this province. The

long-term benefits of that for health would have been enormous, a huge, huge step forward, if we had taken the revenue generated from this tax and put it into a wellness fund. Now, there is a dream. There is something for our government to latch onto and to run with. Maybe the government will consider that for next year. You have a chance here, by dedicating the revenue from this tax to wellness initiatives, to make a genuinely historic difference to Alberta and indeed I think as an example to all of Canada and potentially the world. So two steps forward; let's take two more steps maybe in the next budget.

With those comments, I'll wrap up and indicate that we'll be supporting this bill. Thank you.

MR. MASON: Mr. Speaker, I'm just going to indicate once again that I have a real concern about this bill. I do not believe that the stated purpose behind the bill, that being the reduction of smoking, is the only reason behind the bill. I believe that this is another example of the government selecting taxes to which there is little public opposition as a means of increasing its revenue, and I want to remind the government once again that this tax increase will fall disproportionately on low-income Albertans. Thirty-nine percent of people who did not complete high school smoke compared to 14 percent of people who have a university education, and people in the lowest income households were nearly twice as likely to be current smokers, 30 percent, as were those in the highest, which is 16 percent.

At the same time as the government is introducing tax reductions for corporations, I think that we cannot support this just on the basis of the approach of increasing taxes on low-income Albertans while reducing them for the wealthiest.

Thank you, Mr. Speaker.

[Motion carried; Bill 22 read a third time]

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

[Mr. Tannas in the chair]

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

Bill 26 **Workers' Compensation Amendment Act, 2002**

THE CHAIR: I would invite comments, questions, or amendments to be offered with respect to this bill. The hon. Member for Edmonton-Highlands.

MR. MASON: Thank you very much, Mr. Chairman. I have a signed amendment which I would like to introduce, and I'll just provide that to one of the clerks.

THE CHAIR: Hon. member, would you move it? Once you've moved it, then we'll call that amendment A2, and we'll give everybody a copy.

9:30

MR. MASON: Thank you, Mr. Chairman. I will move that Bill 26, the Workers' Compensation Amendment Act, 2002, be amended in section 48 in the proposed section 157.1 by adding the following after subsection (4):

- (5) If a fund is established pursuant to a regulation made under subsection (2)(a), the Board must increase employer premiums by an amount equivalent to 3 cents per employee, the proceeds of which shall be directed to the fund.

Mr. Chairman, one of the biggest disappointments for me and for many Albertans who were looking forward to this act was the fact that an agreement or a solution to the question of the outstanding claims issue had not been achieved before the legislation was drafted and brought before the Assembly. So what the minister has done is to simply delegate these matters to the cabinet to resolve and given the power to the cabinet to approve through regulation whatever solution ultimately is considered palatable by all of the stakeholders. In this case, I think primarily it's several business organizations that have been leading the charge against the onetime tribunal that has been recommended to deal with this.

The difficulty is of course that that leaves everybody in limbo while the work goes on, and we think it ought to have been included in the act. We think that a stronger section would be preferable, one that lays out exactly how the tribunals will be established and how the awards will be adjudicated and who will pay for them. Those are the questions that need to be resolved.

Mr. Chairman, I have taken the opportunity to communicate in writing to the minister on this matter because the amendment as it's set out here really only deals with a small part of what I think a solution might look like. The only piece that this deals with is the establishment of a fund and setting a rate for a fund that would deal with a fund to pay out the onetime costs. I'm going to take the liberty of reading from the letter that I've sent to the minister, which sort of lays out what we think a solution might look like a little bit more.

The New Democrat Opposition is disappointed that Bill 26 doesn't contain a clear resolution to this issue, but rather leaves the matter to be resolved later, delegating authority to implement whatever solution is reached by the cabinet. Nevertheless, we acknowledge the difficulty in reaching a consensus among the stakeholders around this contentious issue.

A key difficulty has been the active opposition of certain business organizations to proposals for a one-time tribunal to resolve long standing contentious claims. As we understand it, there are two main objections: First, these claims are the financial responsibility of businesses active at the time the injuries occurred and ought not to affect rates of currently active businesses. Second, the costs of reconsidering these claims are unknown and may be excessive, driving rates beyond what businesses can afford.

Since it is obviously impossible to retroactively charge businesses which may no longer be active for the costs of settling these claims, the alternatives are to charge businesses now active, which, I might add, includes many of the businesses active at earlier times when some of the injuries did occur,

to place the financial burden on all Albertans, or to deny justice to injured workers. In our view, the only realistic alternative that meets the Meredith principle that the Workers' Compensation system is founded on, is the first one. It is not the general taxpayers of Alberta who should be responsible for the costs of compensation, but rather employers as a whole.

Despite inflated estimates promoted by some business organizations, uncertainty over the ultimate costs of resolving these claims and the effect on WCB rates is legitimate. As these claims are extraordinary and their costs are one-time expenditures, it may make sense to separate them from the regular rates through the use of a temporary surcharge. The use of a temporary surcharge could be at a fixed and affordable rate. We suggest that 3 cents on employer WCB premiums might be a reasonable amount, which would not place an undue burden on businesses. It would remain in place until the extraordinary and one-time costs of these contentious claims were met, and then would be canceled.

A surcharge also has advantages relative to the uncertain final cost of resolving the contentious claims. The surcharge can be implemented before the final costs are known, and continued until all costs are paid out. If costs are higher than expected, the sur-

charge does not increase, but is collected for a longer period. If costs are less than expected, the surcharge can be lifted sooner.

We believe this proposal merits consideration as part of a resolution of the difficult issue of resolving long standing compensation claims. It ensures that legitimate claims can be paid, keeps taxpayers off the hook and keeps rates for business affordable.

We urge the minister and we urge members of the Assembly to give our proposal careful consideration.

Thank you, Mr. Chairman.

THE CHAIR: On amendment A2. The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chair, I am quite happy to support this amendment I think as it stands, because it sure seems like a way better idea than what I've seen so far in the legislation or in discussions from the minister or from WCB.

I have a real problem with the way this onetime tribunal has been set up without any funding. Injured workers for years and years have been looking forward to this review of the WCB. They have been looking forward to a fair or at least a reasonably fair process where if they were injured and were unfairly dealt with in the past, there would be some sort of tribunal set up where they could be legitimately reassessed through an independent kind of process, where if it was determined that they were in fact more injured or injured differently than WCB had originally decided, there would be the appropriate funds to support that claim. My expectations were that those appropriate funds would be retroactive.

Well, of course, what we see come in is good, the tribunal, in a fairer than before process, also good. But where's the money? Once again the government ducks and hides when it comes to cash on the line for things that they don't support. If it's business, good; if it's injured workers, bad. So I don't see how this tribunal is going to be any good at all if it doesn't back up its position with money, and this amendment puts money on the table. I'm not sure if this is the exact formula or the right way to get there, but it's sure better than what we have right now.

I can't tell you the number of times that I've had injured workers in my office who are frustrated beyond belief. I represent a primarily blue-collar, first-generation immigrant community in my constituency, and that means those people are workers. They work with their hands for the most part, are involved in physical labour or the kinds of work where there are a lot of associated injuries, and these people often don't have a lot of other options in terms of retraining or educational opportunities or different kinds of work. So when they get injured at the workplace, they often have very few other options than WCB. Now, I know that WCB has said: we can retrain anybody. But I'll challenge that, and I'll talk about that in a moment.

First of all, I want to talk about what happens when these injured workers come into my office. They are the breadwinners of their families. They work hard. They believe in working for a living. They believe in fair treatment between themselves and their employers and in the implicit contract they have with the government and with WCB, that if they get injured in the workplace, they're going to be taken care of and taken care of in a fair process. They give a good day's work for the dollars that they earn. They keep their end of the bargain, and then when they get hurt, what happens is that WCB slides away from their side of the deal in many, many cases. So what happens then is that not only don't they have the coverage they thought they did; they don't have any money coming into the family, they're injured, hurt, can't work to the same ability or to any ability. They have fights at every single step of the

way through the WCB process to try and get assessed, to try and get assistance, to try and get the money that they feel is due to them, and when they are stalled and blocked at every step of the way, they become very frustrated and they become very, very angry. We've all heard of cases in the past where these injured workers have spun out of control.

9:40

If you were to walk into that WCB building just north of us here now, you'll see the bulletproof partitions everywhere and high level of security that they have because of past incidents. I don't condone that kind of violence at all, but I see how injured workers get to that point. They are completely frustrated by the process. They cannot put food on the table for their families. They have been in most cases the sole provider or at least a key provider forever for their families, and now they can't do any of that and they don't know where to turn. They turn to their government, and the government also turns them away and doesn't give them any help.

We have been dealing with cases, like our colleague from Calgary-Egmont said the other night, for years and years and years, trying to get legitimate workers dollars or retraining or retraining in jobs that they can actually do. I have many cases. The one that stands out in my mind the most is a person who is a really good friend of mine. He is a first-generation immigrant, and his English isn't perfect by any stretch of the imagination. He has worked very hard all his life, and he has done a great job of supporting his family. Well, about six years ago he got injured on the job. A pallet fell on his leg, and a great big chunk of his calf was torn away, all the muscles and so on. He was in the hospital for a long time, in rehab for a long time, and at the end of the day what does he get assessed by WCB? That he is 20 percent impaired.

His leg, by his own doctor's standards and by an independent orthopedic surgeon's standards that he went to, is half an inch shorter than it used to be, which creates all kinds of physical problems and pain problems. A chunk of his leg is missing, the calf muscle, and it's gone forever, and there are lots of things he can't do. The WCB doctors measure it and find it one centimetre shorter one time, and the next time they don't find it shorter at all. Now, you tell me about those inconsistencies. What do they say? The guy can work. What can he do? He can be a parking lot attendant. So fine. Parking lot attendants. We all know how they work: they have a stool to sit on, but mostly they stand at their job and mostly it isn't protected from the weather.

Well, this is a guy who's in severe pain, on severe pain killers all the time, who needs to lay down for at least 15, 20 minutes at a minimum every two or three hours. You tell me how he's going to do that being a parking lot attendant. It's not possible to do. [interjection] Well, you know what? It's a real problem for him, and because of the long history of problems there have been an insurmountable amount of problems with him and his family. They nearly lost their house. They, too, were subject to the secret police that we now have a memo on, that the Minister of Justice says don't exist but who actually sent us a memo, so we can confirm tonight that there are secret police.

The secret police monitored him. He walks with a cane – we saw the video – and they monitored him over three successive days. [interjections] It's on the amendment, Mr. Chairman, specifically with regard to why employer premiums must be increased so that when people go to this tribunal, they can get recourse, because in the past it hasn't been.

So in the monitoring of this, what do we have? Three really, really boring days of watching this guy walk around periodically outside with his cane as he should be, watching his son lay down sod in the backyard. Of course, they were hoping to catch him laying the

sod. I know exactly what they were up to, but it didn't work, because he can't. Why? Because he's severely injured and can't lift things and has serious problems with anything that requires bearing any weight on that particular leg.

Is this fellow going to have any recourse in this situation as it stands now? You know what? They're going to find that he is more injured and less employable than previously determined. But I'll tell you what, Mr. Chairman: so what? It's not going to make one penny's difference in his pocket. In fact, it's going to increase his frustration level, because this government is going to say that they don't have enough money. So unless I see the minister respond in a way that lays out a better option for these people, I am very happy to support this particular amendment because at least it finally addresses the money issue, which is the issue of paramouncy that's missing from this particular legislation.

THE CHAIR: The hon. Member for Edmonton-Centre on amendment A2.

MS BLAKEMAN: Okay. Well, this is interesting. I remember the minister saying that the point of WCB was that current employers pay for current employees. I need my glasses on; I can't see him nod. I think that's what he said: current employers' premiums are to pay for current employees.

MR. DUNFORD: That's the general gist.

MS BLAKEMAN: That's the general idea. Okay. I think that under normal circumstances that's probably the truth, but the problem is that we didn't have a process in place in the past that treated those workers who had concerns and who were not treated fairly at the time or who feel that they weren't treated fairly at the time. That process wasn't funded adequately, and they did not get awards that allowed them to retrain or to have a pension or whatever would have been the outcome of that. The money wasn't called for at that time to support whatever those decisions were. To say now, "Oh, well, too bad; the sins of employers past shouldn't be visited on today's employers," just doesn't work, because what it ends up doing is leaving out a group of people who have been failed by the system.

[Mr. Lougheed in the chair]

The interesting thing – and this was partly addressed by the Member for Edmonton-Ellerslie – is that normal people expect that processes will be in place for them when they need them. When they call the police, the police will come. When they need an ambulance, the ambulance will come or the fire department. They know or they believe that there is a workers' compensation process in place for them so that if they get hurt as a worker, they will be looked after. That's what they believe. They don't understand until they actually get hurt and they're not feeling well and they're not thinking as fast, when they're not as alive to all the different nuances of what's taking place around them, that in fact that's not necessarily so or that there are provisos in play so that there are limitations on something or there's a set minimum that's available for X. They get into a system and they go: "This isn't what I thought the deal was. I thought the deal was that as a worker I go to work on time with my tools, sober, and I work hard. If I get hurt as a result of being on the site or doing my job, there's a deal in place whereby I will be looked after."

When I talked about this act the last time, I talked about the origin of the WCB and how this was not an altruistic gesture on behalf of employers. It was in fact to save themselves from getting sued for causing the death or severe disability of workers. So the employers

come out of this with their end of the deal intact, but the workers don't, and there is I think both a perceived and a very real inequity in what is happening. The minister has acknowledged that in the past. I think that this legislation was going to be an attempt to address that. When the legislation came forward, the minister was still saying that we were looking at the contentious long-term claims process, and while this legislation has been up before us in the House, there's been a withdrawal from that saying: well, you know, the employers don't want to pay for that, and the government is certainly not going to step into this.

9:50

What's being proposed in this amendment being brought forward by the Member for Edmonton-Highlands is a scheme by which a fund could be established that would pay for awards for these long-term claims. I think it's still debatable. Maybe there is a place for the government in this particular area. I mean, if the government didn't have the processes in place in the past that would have made those contentious claims work out better or be resolved more fairly or however you want to put it, maybe the government should be stepping up to the plate now. Given what I'm saying, I would think that the government would be eager to support what's being put forward by the Member for Edmonton-Highlands, which is proposing that in fact the employers pay for it.

Now, you know, people think of Edmonton-Centre as being the head offices, the big businesses, the corporate downtown, big companies, but in fact there are a lot of small businesspeople in Edmonton-Centre: all of those food kiosks and newsstands and photocopy outlets.

DR. TAFT: How small are they?

MS BLAKEMAN: Oh, lots of them are a one-person or a family operation. Some of them have become quite successful, and they have 10 or a dozen employees now. You know, there are more small employers downtown in fact than there are large employers if you just want to look at numbers alone. How would they handle this amount of money, increasing an employer premium by an amount equivalent to 3 cents per employee? Three cents per employee doesn't sound that bad, but it ends up being 3 cents per employee for every hundred dollars of payroll. So it changes it from a hundred dollars of payroll to \$100.03 per payroll. That's probably manageable for a small employer who's looking at five or six employees.

It's a tough decision, but I think that somebody has to step up to the plate here. We can't keep passing the buck around. This is a possible solution, and at this point I'm willing to accept it until I see something better. I don't see the government coming forward with anything better frankly. All that happens is that we dither and the Rome of some workers' lives burns while we try and figure out how to get somebody else to pay for something here. I don't get a lot of WCB claims in Edmonton-Centre, but with those claims that I get, boy, you know, those people have been through a very difficult time. It's frustrating for them and it's frustrating for me when I can't help them.

So at this point I'm willing to support this amendment, as I say, until I see the government come forward with something better. Thanks.

THE ACTING CHAIR: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Yes. Thank you, Mr. Chairman. It's a pleasure to rise and participate in the debate this evening and specifically on amendment A2 as proposed by the Member for Edmonton-High-

lands. I certainly can see the merit or in this case the wisdom behind the hon. member's amendment here to create a fund to deal with long-standing and contentious claims of the WCB. Now, there are various reports as to what amount of money is specifically needed and how many workers are going to be affected by this. I've heard as low as 300 workers would be going before the long-standing, contentious claims tribunal and as high as 15,000 workers that have been wronged through the WCB process. I have heard figures as low as \$50 million and higher than \$200 million to finance the program to address the wrongs of the injured workers.

Now, certainly remarks were made here in the Assembly not only by this member but several others, and these remarks centred around the elimination or the termination of the rate and benefit stabilization fund, that had been wisely introduced by the WCB in I believe the year was 1996. This had grown into a fund that had millions of dollars in it before it was reduced and then terminated in I believe it was the last annual report. It is my view that if this fund, the rate and benefit stabilization fund, had been left in place, there would be no need today for this amendment as proposed by the hon. Member for Edmonton-Highlands, and there would be no need to have a debate on whether we can afford to deal with long-standing, contentious claims. We had the money, and we spent it or we put it into the accident fund. When we spent it, in this case, employers' premium rates did not increase, and this was convenient around election time. We didn't want to upset the business community and have skyrocketing WCB premiums, but as soon as the election was over, we saw two double-digit increases, Mr. Chairman. I understand that there's another one coming this year. It's \$1.81 or \$1.82 to have full payment – \$1.81 per \$100 of payroll – to meet all the commitments of the WCB. [interjection] About 11 cents less than that? I could stand corrected.

MR. DUNFORD: One sixty-eight.

MR. MacDONALD: One sixty-eight. Thank you very much, hon. minister.

The elimination of the rate and benefit stabilization fund has now allowed us to plead poverty on this issue. We have no money to settle these claims, so we have this proposal in amendment A2.

I have the following questions, and hopefully the hon. member or another member of the Assembly can help me with this, Mr. Chairman. If this fund was to be established pursuant to subsection 2(a) in the proposed section 157, the board, it indicates here, "must increase employer premiums by an amount equivalent to 3 cents per employee." How much money are we looking at here? Is it 3 cents per \$100 of payroll? How long is this money going to be collected? I think we're going to wind up with a sizable sum here. I have no idea, and if the hon. member could tell me this, I would be very grateful, because I don't know whether I can support this amendment without that information.

I would think that this is a sizable amount of money. I would think that if this amount is to be put in a fund, then at some time we're going to have to check for the administration of this fund. I don't want to give the new Auditor General, Mr. Dunn, any more work, but I think this would be an ideal place for the Auditor General and his staff to work from, Mr. Chairman, to keep on eye on this fund and to see that it's being managed correctly. I certainly would like to know precisely how much money per year will be raised by the establishment of this regulation. In light of the fact that we're now pleading poverty on this issue and we have no money, as I said before, I think the rate and benefit stabilization fund was created was to deal with issues just like the outstanding contentious claims. We had the money, but we got rid of it unfortunately, and

now we are to deal with this. If the hon. member could clarify for the Assembly how much money is going to be raised, I would be very anxious for his comments on this.

10:00

This is an improvement. There are other issues that I think we're going to have to debate with Bill 26 regarding the long-standing, contentious matters, but this amendment certainly would provide a source of revenue to start the whole process of hearing from the frustrated workers who for one reason or another have been unjustly treated by the entire WCB process. I don't think there are legions of these injured workers, Mr. Chairman, but certainly I think the number is much greater than 300, and hopefully it's much less than 15,000.

This is a debt. If these injuries are related to the workplace, this is a debt owed. It cannot be considered a future or current cost. These people were legitimately injured in the workplace, and their injuries have been ignored. Their lives have been as a result diminished. Many of them are frustrated; their families are frustrated with this. We can't continue with further study on this issue. We know what needs to be done. I would encourage the hon. Member for Edmonton-Highlands to please explain, if he has the data here regarding the pool of money, how much will be raised. Will it be specific to long-standing, contentious claims?

If I could, Mr. Chairman, at this time cede the floor to the hon. Member for Edmonton-Highlands. If he could provide that answer, I would be very grateful. Thank you.

THE ACTING CHAIR: The hon. Member for Edmonton-Highlands.

MR. MASON: Thank you, Mr. Chairman. I'm pleased to respond to the member. In my opening comments I did deal with a number of these questions, but I certainly don't mind going through them again.

The idea is that these are onetime claims. They're not ongoing claims, and they ought not to affect the general rate that businesses pay for WCB. So the idea is that there would be a surcharge that would be put on that would be a fixed amount. This can be modified. I'm certainly not wedded to this, but I understand that it's about 3 cents on the current amount that is paid, and the minister can correct me if I'm wrong. The standard rate is about \$1.86 that businesses pay, and that's per \$100 of payroll. Is that correct?

MR. DUNFORD: A dollar sixty-eight.

MR. MASON: A dollar sixty-eight, and this would be a 3-cent surcharge. The idea is that you fix it and then you run it as long as is necessary to pay the costs. You can start collecting it before the costs are known, but if the costs of the contentious claims are more than you expect, you collect it a few more years. If they're less, you terminate the surcharge earlier. When the contentious claims are gone and paid for, the surcharge is canceled. So it's a temporary thing. It's a reasonable price that businesses can pay.

We estimate – and this is just us with our small, limited resources – that the 3-cent charge would collect about \$11.7 million per year that would be put in the fund. Depending what the costs are of resolving the contentious claims, that surcharge would run for more years or less years to pay them off.

We also think that it's reasonable because you can tell businesses right away how much it's going to be and that it won't go up. You know, they may pay it a bit longer if the costs are higher than expected, but you can fix that and they can fix that in their business plans and their budgets and so on. So that's the general idea. I hope that helps.

MR. MacDONALD: Yes. Thank you. I would like to express my gratitude to the hon. Member for Edmonton-Highlands in regard to amendment A2. Certainly whenever we consider that there has been this plea of poverty that we cannot afford to make these adjustments or have a fund to deal with the long-standing, contentious claims, this certainly is a step in the right direction. I don't know if it's everything that is needed at this time, but when we consider that the rate and benefit stabilization fund was created to deal with just such a matter as this and it was, as I understand it, a standard policy pertaining to the insurance industry that funds be established to deal with emergencies, then this seems to be a solution that has been put forward. It is going to be certainly in the statute for everyone to see.

[Mr. Tannas in the chair]

I would at this time encourage all hon. members of this Assembly to have a close examination of this amendment A2. It may not be perfect, but when we eliminate the rate and benefit stabilization fund, this is the next best thing. I would encourage all members to please support this amendment. Thank you.

THE CHAIR: The hon. Minister of Human Resources and Employment.

MR. DUNFORD: I'd like to begin by thanking the Member for Edmonton-Highlands for providing an opportunity to debate an amendment such as this. I want to indicate right from the get-go that I'll be urging members of the Assembly not to support the amendment, but that doesn't mean that your amendment is not for consideration. What we'll be doing is taking this type of a process and handing it over to the committee that we've already announced in the House. That's the committee made up of the MLAs from Calgary-Egmont, Bonnyville-Cold Lake, and Calgary-Cross. What they are responsible for is trying to find a process that we can get stakeholders to all agree to so we can move forward.

I want to make sure that the member understands that I appreciate the effort that's been put into the amendment that we have before us. I think it showed some thought. I think it showed a willingness to try to find a solution, to try to understand the current dilemma that the minister finds himself in. On the one hand, by having section 157 here in this bill, I am making a clear statement to injured workers that I haven't given up on this situation, that we're still in the face of some fierce opposition to this, that we're still trying to find a way to resolve it. When I listen to some of the other members' comments tonight, all I can conclude, Mr. Chairman, is that again I've found a perfectly Canadian solution to some situation: nobody agrees with it. You know, instead of having people recognizing that one side of the issue is strongly opposed to it, instead of looking around and trying to find some sort of understanding and some support from the other side, well, they've got the other side against it as well.

Nevertheless, Mr. Chairman, we will sort through this, and we'll

be able to sort through it as long as we continue to have amendments with the thoughtfulness and the sincere concern that we see here in A2. It's too bad it has to go down tonight, but it's a suggestion that will live on after tonight in the committee.

10:10

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

MR. MASON: Thank you, Mr. Chairman. I'd like to express my appreciation to the minister for his comments. I certainly was expecting that the amendment may not pass. I've been called a slow learner tonight, but I'm not that slow a learner.

Nevertheless, I appreciate his comments. I do believe that we need to try and resolve this issue and all put our best efforts forward because I think the injured workers certainly are expecting it. I understand some of the difficulties the minister has been facing and certainly would like to do my best to help him resolve it, but ultimately it's his responsibility to resolve it. We will certainly be holding him accountable if he fails to do so, but in the meantime he can be assured of our full co-operation.

Thank you.

[Motion on amendment A2 lost]

THE CHAIR: The hon. Deputy Government House Leader.

MR. STEVENS: Yes, Mr. Chairman. I move that we rise and report progress on Bill 26.

[Motion carried]

[The Deputy Speaker in the chair]

MR. LOUGHEED: Mr. Speaker, the Committee of the Whole has had under consideration a certain bill. The committee reports progress on the following: Bill 26. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

HON. MEMBERS: Concur.

THE DEPUTY SPEAKER: Opposed? So ordered.
The hon. Deputy Government House Leader.

MR. STEVENS: Yes, Mr. Speaker. I move that the Assembly stand adjourned until 1:30 tomorrow afternoon.

[Motion carried; at 10:16 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]